● SUNDAY TIMES
business news

Will they have to give electricity away?

BY KEITH RICHARDSON, Industrial Editor

[N]UCLEAR ELECTRICITY may soon [b]e so cheap that the power can be [v]irtually given away at times when [t]here is not enough demand at the [s]tandard price to keep the power [st]ations busy.

All that stands between this techni[c]al fact and the housewife being told [s]he can operate her washing machine [f]or nothing at the right time of the [y]ear is a complicated administrative [p]roblem — including the cost of [ad]justing the electricty meters.

But even if these costs mean that [lit]erally free electricity in every home [ne]ver becomes a reality—especially [si]nce during the immediate future it [is] only a sensible proposition at night[ti]me during summer week-ends when [ha]rdly any electricity is normally [so]ld—the trend to much cheaper off-peak electricity is now certain. The benefits to industries which use electricity round the clock could be enormous.

The idea of free electricity in the off peak hours is one of the most important implications to emerge from the fourth international conference on the Peaceful Uses of Atomic Energy, which finished in Geneva last Thursday. Nuclear engineers from all over the world showed immense confidence in the reliability of their plants but made it clear that they are bringing fuel costs down faster than capital costs.

The cost of electricity will in future be more and more dominated by the cost of building power stations and transmission lines and hiring the teams of engineers to run them, while the uranium fuel will account for less than a tenth of the price which the customer pays for his power.

Already the most modern and efficient coal-burning power stations are having to be "damped down" at night because there is no demand for their output, but to do this regularly with nuclear stations can raise all kind of technical problems. At the ultimate, one Central Electricity Generating Board engineer argued at Geneva, "it may be economic to sell the energy which could be produced by nuclear plants at time of light load at prices even lower than nuclear fuel costs."

If no simple way of getting rid of this unwanted electricity can be found, then Generating Board engineers are already reviewing the possibility that they may be forced to waste some of their valuable heat into the atmosphere rather than interfere with the sensitive nuclear reactions that produce it.

Ways of selling this surplus electricity have not been examined in detail, since the figures depend on how fast the next generation of nuclear power stations is going to be brought into action. But three main lines are clearly possible. Basic off-peak tariffs will have to be made more attractive, for so far they have only reached just over a million British households. A bigger effort will be made to sell electricity to industries that are ready to use it round the clock. Special deals, such as those set up for the aluminium smelters by the last Government will be extended.

The basis of charging for electricity will depend much more on the peak demand—the number of kilowatts—that a user contracts to buy, because this is what decides the number of power stations that have to be built. Less and less will it turn on how much electricity—the number of kilowatt-hours—he actually uses so long as he spreads it evenly through the week.

Computer chaos as RCA writes off $250m

BY HARLOW UNGER, New York, and NICHOLAS FAITH

[A] COMPLETE shake-up of the [wo]rld's computer industry is [no]w likely after this weekend's [sho]ck announcement by the [Am]erican RCA giant that it is [pu]lling out completely from [the] general computer business. [A]mong likely consequences of [the] withdrawal of RCA is likely [to] be:

a renewed attempt by the [Am]erican Justice Department to [att]ack IBM.

renewed attempts to bring to[get]her ICL and Siemens the two [big]gest European-owned compu[ter] companies, both of which had [lin]ks with RCA.

a war of nerves among the [oth]er computer companies as they [bat]tle to take over the RCA busi[nes]ses.

[R]CA is withdrawing from com[put]ers at an estimated cost of [$25]0 million, as big a write off as [For]ds sustained when it gave up [the] ill-fated Edsel. This comes [onl]y a year after it had intro[duc]ed a new line of computers [de]signed to catapult RCA into [the] number two position in the [mu]lti-billion dollar US domestic [dat]a processing business." The [new] line was designed to be an [eas]y replacement for IBM's equip[men]t and RCA was so confident [of] success that it hired large [num]bers of former IBM execu[tive]s and in July announced an elaborate oranisation for selling computers in Britain. The withdrawal came because, on its own admission, it would have required more than $500 million additional investment in the next five years to compete effectively with IBM.

The inability of even a company the size of RCA, the 21st biggest in the US, to compete with IBM, sent a tremor through official Washington, which now expects, inevitably, still another investigation of IBM by the Justice Department. Previous investigations have found IBM virtually innocent of anti-trust law violation. But the Justice Department can now be expected to launch a further inquiry to see if sheer size and dominance of a market constitute grounds for successful prosecution.

In Europe the German Siemens company, which has built up a £100 million computer business on RCA technology and licences, is confident that the collapse of RCA will merely speed its own independence and admitted that the change would make it easier for it to co-operate with other Europeans. In practice this would mean an alliance with Britain's International Computers, the biggest European-owned computer concern, which also had links with RCA.

Although ICL refuses to comment on the possibility, the group is one of the most likely bidders for the RCA computer business, which would give it an excellent marketing network in the US.

Banks in £1m deal with IOS

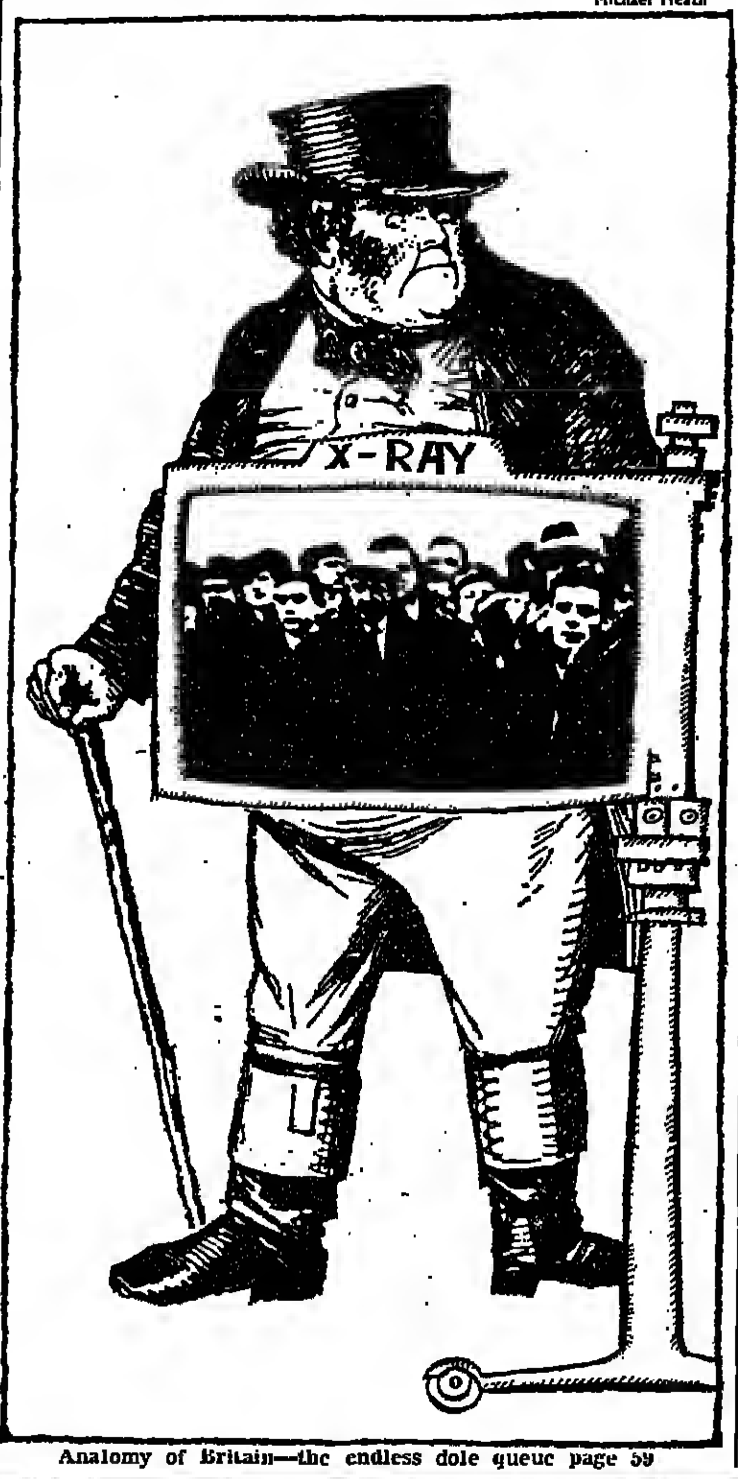
BY AZIZ KHAN-PANNI

AT LUNCH TIME on Friday, a huge block of 900,000 shares of International Computers (Holdings) was sold by Investors Overseas Services to a number of banks and insurance companies. The price paid, 120p, was 5p over the market price at the time. Informed sources say that the £1.1 million deal was pulled off by the two brokers to ICH—Rowe and Pitman, and Laing and Cruickshank.

IOS's holding, through its International Investment Trust, has long been a major psychological block to any sustained rise in ICH's share price. The market has assumed that any rise would be met with IOS selling, and speculators have been able to capitalise on this nervousness to attack the shares with impunity.

The IOS holding was built up nearly two years ago, when both Ferranti and Vickers sold their shares in the computer company. At one time, the IOS holding rose to 2.8 million shares, acquired at prices between 44s and 50s. As the market rose to 63s, IOS sold some 400,000 shares, reducing its holding to 2.4 million shares early in 1970. But its liquidity troubles turned it into a large and persistent seller.

Michael Heath



Analomy of Britain—the endless dole queue page 59

THE PATERNALISTS

Two of the best-known and most successful American companies in Britain —Kodak and IBM—deliberately avoid having anything to do with trade unions. Yet in many ways they suffer less industrial trouble, pay higher wages, and generate better profits and productivity than their British competitors.

Next week, Vincent Hanna starts an ambitious two-part inquiry into the way they organise their affairs, and the way their—almost entirely British—workers and managers think about them. Can their policies survive the Industrial Relations Act? Can other firms learn useful lessons from their experience? Is there still a place for the company union? Does paternalism pay?

Read next week's Business News.

Japan ready to up-value yen

THE JAPANESE have finally officially agreed that a revaluation of the yen is inevitable and would not necessarily ruin the Japanese economy. At the same time, it is now clear that the Japanese will not revalue their currency by themselves in the absence of a general world monetary realignment. In a major change of tactics, the Bank of Japan has allowed the yen to float to 6.36% above its previous fixed dollar value in what is seen as preparation for some relaxation of the foreign exchange controls.

The official admission about revaluation came from Mikio Mizuta, the Japanese Finance Minister, at a press conference on his return from the Group of Ten meeting in London last week. Mizuta said that unilateral revaluation by Japan would not solve international currency problems, but would weaken Japan's position in international negotiations.

He also foresaw that the present crisis would be prolonged and might not be solved by the end of the year. In the context of the prolonged float of the yen foreseen by Mizuta, it would be natural for the Bank of Japan to allow the yen to float further upwards in order to relieve the pressure by Japanese firms wanting to cash in dollars for yen. Before the Bank increased the price of the yen it had to take in $100 million in the early part of the day.

First big test for Carr's Act

THE GOVERNMENT'S first big challenge on the Industrial Relations Act seems now set for October 1. On Friday in York, the national executive of the Engineering Workers Union (AUEW) voted unanimously to apply to have their name removed from the provisional register of trade unions.

The AUEW are currently in the middle of two disputes with the Engineering Employers Federation. First there is the struggle over the new procedure agreement for the industry (see page 55).

The employers have until December 15 to reach agreement, but will they negotiate with a body which will have been unregistered, and therefore outside the Act, for 10 weeks by then?

Legally the employers are free to bargain and the indications are that the EEF will probably carry on with the talks, even with an unregistered body.

But the EEF has a second problem. The engineering unions have just lodged a massive national claim and are threatening militant action in support of it. The EEF has promised its members that it will stand firm against the claim, but will that include advising individual companies to sue local AUEW officials in the event of them organising strikes in their areas?

Feeling in the EEF is that some company is almost certain to bring such an action. "We have 5,000 member firms," said an official yesterday, "but there are 26,000 unfederated companies in Britain. The temptation may be too great for some."

Happy families

Parents who usually find the cost of staying in a hotel with their children absolutely prohibitive are to get a break from Trust Houses Forte. From November, its 16 motel-style Post Houses are introducing a "no charge for children under 16" scheme which should make it easier to go away for a week-end trip or a tour of Britain.

By taking a "family" room, parents pay from £5.50 to £6.50 for themselves, but nothing for up to three children. The rooms have a double bed, two small beds and a cot can be installed. You can make tea and coffee in the room, and they all have private baths and TV. Tipping is also being dropped at all the Post Houses (another 11 will open next year) so that, apart from meals, there are no extras.

Paper freedom

WHILE everything else in the women's market changes style and fashion with bewildering speed, one area has been largely neglected: sanitary towels have hardly seen a new approach in years. But from tomorrow, Boots and other chemists will be stocking Libresse, a new Swedish design, that is really an advance.

The Libresse towel consists of two separate layers: the inner one is narrow and highly absorbent, the outer one is wide, for safety, and completely waterproof even though it's made of paper. (The outer section alone is often sufficient towards the end of a period.) The whole is remarkably slim, only half as thick as an ordinary towel, and has a tiny sticky patch at the front to attach to your pants so you don't need a belt. It is completely disposable—apparently it is the only disposable towel you are allowed to flush by the Swedish Health Authorities, though Heaven knows how they enforce this.

The drawstring pack is 15p for 10, but there is a half-price introductory offer. Since it was launched two and a half years ago in Sweden, Libresse has become the country's brand leader. And as the manufacturer intends to spend more than all its British competitors combined on advertising in the next year, there seems to be nothing to stop it repeating its success.

SHOP!

Edited by BRENDA JONES

Well done lad

IF YOU see someone handing over what looks rather like Monopoly money in a shop in future, you are looking at a hard-working fellow. Because the pretty banknotes are called Bonusbonds and are being used by companies to reward deserving workers.

The bonds come in three denominations—£5, £1 and 25p—and can be used in any incentive scheme: to reward salesmen who exceed their targets, wholesalers or retailers who place large orders, staff who put in helpful suggestions, or keep good time, or as a bonus offer to accompany goods on sale.

They're the brainchild of a company called Bonusplan Ltd, which thinks they score over money awards, because staff tend to get used to these and think of them as part of their regular salary instead of as something to be earned. The Bonusbonds keep the idea of a gift.

The bonds can be changed at any shop with a Bonusbond window sticker, which includes Austin Reed, Times Furnishing, Curry's, Global Holidays, H. Samuel and the Scottish Co-op. Boots and the Debenham Group will exchange them for their own gift vouchers. Details from: Bonusplan Ltd, 5 Rosebery Avenue, London EC1R 4SP.

CHAMBOURCY, the French dairy products company, is to introduce a new family-size strawberry yogurt pack of 15oz. It should be much more convenient for families who use fruit yogurt as a dessert topping than the individual cartons, and at 15p it's a better bargain too.

A bit of the ready

AS HP terms grow easier and tempt more people to spread their payments for goods over a period, retailers are becoming increasingly inclined to give a reduction to those customers willing to pay cash down. This has given a useful opening to a firm called Countdown, which offers a cash card that entitles holders to a reduction of 10% to 33% from shops and services co-operating in the scheme for £2 a year.

BOAC is the latest company to take advantage of the cards. From tomorrow it will be offering them to its overseas customers at a special rate to make their shopping expeditions easier when they come to Britain. The airline joins Godfrey Davis, the car-hire firm, Walker and Hall, Galleries Lafayette, Hemingways in Leeds, Carmelles in Cardiff, Harris in Leicester and Anthony Donald in Newcastle-upon-Tyne, among others. The cards can also be used in restaurants, hairdressers, garages, and for buying insurance.

If you can afford to pay cash, and would like some bargains, write to: Countdown, 102 Charing Cross Road, London, WC2.

The noble spud

A dynasty has fallen—in Britains potato fields. After half a century as the most widely-grown and sold main crop potato, Majestic has been supplanted by an 11-year-old upstart called Pentland Crown. This year, out of a total of 555,000 acres grown, Pentland Crown tops the list with 120,000 acres and Majestic drops to third with a mere 74,000. Even the royal King Edward is beginning to lose place. Last year 90,000 acres were grown, now it's dropped to 76,000.

The reason for Pentland Crown's popularity is that it yields 2 tons an acre more than Majestic and is less susceptible to disease. But housewives needn't worry, as it has all the qualities of Majestic and is marvellous for making chips. Like many good potatoes, the usurper comes from Scotland and was bred by the Scottish Society for Research in Plant Breeding.

Thicker killer

DOMESTOS, Lever Bros. brand leader in the bleach market, has come up with an interesting development. The product has been reformulated to make it thicker, so that it now coats surfaces and clings rather than running off, which gives it more time to work. It also has a slight perfume, which has taken years to achieve since hitherto the chlorine drowned everything. Now there is a trace of lavender, which may not be your favourite, but smells better than bleach. It is on sale in the South-East, Midlands, East Anglia and the North-West and will go out later to the rest of the country.

The $250m tag on Hefner's Playpen

PLAYBOY multi - millionaire Hugh Hefner (prospectively worth $175 million) has made a bomb on publishing but dropped a packet on hotels. Playboy Magazine profits jumped from $15.6 million to $16.8 million in fiscal 1971, according to a prospectus published last week in New York, but the Playboy hotel operations tumbled into the red and registered a loss of about $1.7 million compared with a profit of $39,000.

Net earnings of Hefner's Playboy Enterprises Inc., sustained by the success of Playboy Magazine whose monthly circulation has now reached around 5.9 million, rose to $9.2 million. Revenue totalled $131.5 million. Managing underwriters Loeb Rhoades & Co. are now offering to the public 1,159,562 common shares, about 12% of the total capital, at a maximum tender price of $25 per share—worth a maximum $29 million and valuing the whole company at $250 million.

The main reason for this proposed offering—the first time the American public has had the financial opportunity to climb on the Playboy bandwagon—is to pay off indebtedness of more than $20 million on a new 674-bedroom resort hotel at Great Gorge, near New York. This is scheduled for completion in December, its costs have already escalated from $21 to $29.5 million and it is expected to incur "substantial operating losses."

Profits from Playboy's key clubs slipped from $3.39 million to $3.17 million last year, with the London casino (shortly to be followed by another in Manchester) providing a good deal of the take and several American clubs running at a loss. Two existing hotels at Lake Geneva near Chicago and Ocho Rios in Jamaica were making money but another in downtown Chicago was running at a loss and the Playboy Plaza in Miami Beach dropped $2.2 million.

Hugh Hefner himself, who drew a salary of $303,847 in fiscal 1971 plus $372,924 under the profit-sharing plan, will still hold 6.7 million shares worth a maximum $168 million after selling 300,000 shares. On the basis of the current 12-cent dividend, he stands to collect an investment income of around $800,000 a year. His 54-room Chicago mansion is leased to him by the company at a relatively modest $650 a month.

Richard Milner

business news City, investment, money

Edited by AZIZ KHAN-PANNI

A share in shining Armour

Peter Dunne

Andrew Balcombe (left) and Christopher Lambourne: profits going through the roof ?

THERE WAS something faintly *comic* in the pretax profit figure declared by Armour Trust on Friday. Last May, Armour bad been briefly suspended by the Stock Exchange for increasing its profit forecast by too much too soon after its prospectus had been published. But with the upsurge in colour TV sales, Armour, as a provider of finance and insurance facilities to independent TV retailers, bas been raking in profits faster than it has ever done before. Declaring £204,000 pretax on Friday (for the period ending in April last), it bad out-distanced the controversial May forecast of £180,000 by rather more than that bad beaten the forecast in the prospectus. Meanwhile it bas acquired the confectionery group, Carter Penguin, which is expected to make £270,000 this year.

The word is now going round that Armour's TV profits "are going through the roof." Will Armour take np the running from that earlier dazzling performer Sterling Guarantee?

If one hesitates to answer that question, it is largely because the men wbo now run Armour are so little known. The two managing directors, Christopber Lambourne and Andrew Balcombe are both very young, 32 and 29 respectively. But they bave had a *lot of merchant banking experience*, and for their last two years at S. G. Warburg constituted the bank's New Business team. That experience was intensely frustrating. In all the time they were there, not one of the bids, mergers, associationa tbey proposed were taken up by Warburg's cbents. And it was particularly galling to see their ideas being developed by the clients of rival banks.

So they decided to branch out. They were offered the Liverpool and Manchester investment trust by Jim Slater, refused it because Slater was asking a high price, were talked round at Slater's New Year's party, and finally ended up taking over the trust. Slater Walker became the new group's merchant bank. In August last year they acquired Dobson Rhodes, a company providing finance and insurance facilities to independent TV dealers. An important off-sboot from that deal was that John Read, wbo had belped build up Dobson Rhodes, became non-executive chairman and the largest sharebolder in Armour (which the Liverpool and Manchester trust bad now become). The point about Read is that be bad been a director of Kleinwort Benson for 12 years, was known in the City, and imparted a *sense of* security to the institutions. The valne of this was seen wben, at the time of the bid for Carter Penguin. Armour bad no difficulty in underwriting its shares.

Dobson Rhodes bas *turned* out to be a bonanza. Figures released by the Britisb Radio Equipment Manufacturer's Association sbow just bow amazing the colour TV boom bas become. In 1969, deliveries of colour TV sets totalled 154,000, and deliveries this year and next sbould reacb 700,000 and 850,000. By 1975, it is estimated, sales sbould bave reacbed 1,400,000. It is a huge growth industry for the next five years at the very least.

Dobson Rhodes'. role in the industry is to provide finance for credit sales or HP. This it does through 2,000 independent retailers, comprising 40% of that market. With "true" interest rates in this business averaging over 30% a year, companies can make a lot of money provided they keep their collection rate np and their proportion of bad debts down. As a general rule, the collection rate should not be allowed to drop below 70% of payments due, and as Dobson's rate bas never been below 85% the returns have been good.

Insurance is also important. The original concept had in fact been to offer these financial services in order to sell insurance and TV maintenance policles, and earlier this year some 60,000 policies were in force. With premiums now at £24 a year for colour sets (£3 up on last year), and the major cost, the tube, re-insured with another company, this sbould also prove a valuable money-spinner. The latest development, offeriog a wbolesaling service to retailers on tbe Spar or Mace lines, means that the company will earn not only half the 15% discount on large-scale purchases, but will probably do more business on the financing side with the sbops it supplies. It also provides an opportunity of extending the service to a wider range of *products. Putting all* this together with the seven shops owned by the company in the *Sbeffield and Manchester area*, makes Dobson Rhodes one of the fastest growing businesses in the country. If the nine months profits to January this year (shown in the prospectus) are subtracted from the full year's result declared on Friday, and allowing for the fact that the last quarter is a better selling quarter than mid-summer, the company is running at a profits rate of at least £300,000. This is before the effect of the £500,000 pnt up by Slater Walker to finance the casb outflow as the business is built up. Witb that cash now available, the amount of business being written can be considerably expanded, and it would not be *unreasonable to expect a good* improvement on £300,000. Over the longer term, net casb flow on present plans should turn positive in 1974. As the stocks of the Seventies will increasingly be judged on their command of cash resources, this alone is a major bull point for Armour.

The acquisition of Carter Peoguin bas belped both earnings and assets. Without Carter Penguin, Armour's earnings per *share would* be 1.65p (after putting the investment income, sbown in the figures for 18 *months, on to an annual* basis). With Carter Penguin, earnings per sbare rise to 2.5p, while assets are *increased* by 60% to 10p (if the convertible is treated as equity). Even assuming that Carter Penguin does not increase its profits for the 12 months ending next April, combined profits of £570,000 would produce earnings per sbare of 3.2p, and a projected P/E of 17 at 55p.

At this stage, these calculations are only marginally nseful. From the investment point of view, it is clear that Armour is a small company that is going to become a big one, and a P/E near 20 is neither here nor there. It ia the same sort of reasoning which bas led the *institutions* to *stockpile* Sterling Guarantee shares despite the almost ridiculously higb multiple. If there is a small and niggling doubt that Lambourne and Balcombe might chase after too many situations, it is because TV finance and food seem such disparate activities. But one provides earnings and cash flow, the other assets.

The Armour men are conscious of the damage tbat an industrial bolding company operation can do, both in terms of image and administration. They do not yet have the consistent image Jeffrey Sterling has presented to bis institutional investors. In any case it is difficult to put over an industrial finance corporate image. But they bave accelerating earnings and that will be the mainstay until the institutioos really take root with them.

Aziz Khan-Panni

EUROSHARE

A new route for Suez

LAST WEEKEND the l wrangle over who was going carve-up the remaining priv consumer banks in France quietly resolved. Suez, or Financière de Suez et de l'Ur Parisienne to give it its full na won control of the largest these private banks, CIC (Cr Industriel et Commercial).

CIC *probably* bas some l of these deposits and an extren competitive chain of l branches througbout the c try. Suez will now own 65% CIC after taking over the shareholding of tbe Banque Paris et Pays Bas, Paribas. deal worth some £18 million three years of atalemate betw Suez and Paribas the two po ful investment banks.

Suez in its turn is ceding of its own 173-branch Ba Union Parisienne (BUP) to l bas. Suez is also paying 250,000 million shares in the state oil company worth a £4 million, plus an undiscl cash sum.

Share price: Fr 291.5 (£21.4)
Dividend: Fr 11.5 (90p). Yield 4.0%
Profits: £4.95m.
Total assets: £186m.
P/E ratio: 23.5.
Market capitalisation: £116m.
Dollar premium: 12½%.

This complex set of deal very important for Suez w bas been seeking a role ever management of the Suez C was expropriated in 1956 exchange for £10 million con sation. Surprisingly too British Government still bol original Canal stake in Suez, whittled down to about 12% take-overs.

Suez bas tried to find its f back inside the French com cial establishment. After no much success operating as a of investment trust it event settled down after the *French* banking reforms as third banking, one-third i trial, and one-third investme

The main industrial lin St. Gobain Pont-a-Moussoo, now owns 15% of Suez. engineering-glass giant, in w Suez has a 20% stake, was together as the Suez price saving aristocratic St. G from a take-over raid two ago. It marked tbe point at w Suez under ageing Ja Georges-Picot bad "arri Several other banks bold shareholdings in the group.

But Suez wants to sprea sbareholding net internatio as wide as possible. In depre *Euroequity markets* its price is normally a discoun underlying revealed assets, i *as much as 40% earlier in* year. So far the group has pi up one large overseas Inv in INA, a $2,000 million insu conglomerate in the US and term British investors In Eu could do worse than follow

James P

The tragedy of the burgled bank vault

Worried manager at Lloyds, Baker Street

THE QUEUES at Lloyds Bank in Baker Street, London, last week looked sad around the eyes, and muttered quietly about forgetting material things. They may have to. Buried in the shambles of the burgled bank vault is a *cautionary* tale to anyone who has valuables to store in a safe deposit box. If they are stolen, *banks take no responsiblity*.

Security is strict—one bomb-conscious bank even refused to tell a newspaper bow big its deposit boxes are—bnt only bank negligence is grounds for demanding compensation. Because banks insist they would rather not know wbat customers store away—provided it is not explosive, noxious or liquid—they have no way of assessing insurance cover. So, unless the vaults flood and banks are covered for liability, they stand publicly by their legal position—no compensation.

With a possible £1 million loss at Baker Street, Lloyds will not admit wbat it actually does—make *ex gratia* payments in most cases to customers wbo can prove wbat they bad in the safe. If the customer is insured, be can prove that easily. If be is not, be is a two-time loser. And too many people think of storing jewels in a bank as a cheap alternative to proper insurance.

Banks hardly help. Barclays does not bother to mention its disclaimer on contracts; Lloyds relies on notices pinned to the wall. Verbal reminders to customers cannot be guaranteed every time. And banks see no reason to drum up business by suggesting insurance. You have to ask. At some banks, you will even bave to ask for a formal receipt for goods lodged in a safe. Banks cling to the anonymity of the old system—taking in "one metal box" or "one bag," and asking no questions. One even argues that "a lot of our customers for thia service are foreigners, who understand this sort of system anyway."

Anonymity is crumbling. Discreet contacts now between banks and police could mean that court orders would allow police to discover what is in a safe deposit box, as well as the fact that you bave one. Like some bankrupts, criminals find the vaults useful for stashing away the loot.

Costing insurance on goods kept in a bank is complex. But if you live in a high-risk hurglary area like North-West London, and you bave £1,000-worth of jewels at home to protect, insurance costs around £30 a year. Simple storage in a bank costs from £1.50 upwards; £2.25 is an average price. Bank storage plus *insurance* at the specially low rate of £¼% will cost only £4.75. All-risk insurance also covers goods kept in a bank—but costs more than it need do. Some home plans cover goods outside your bome; but wbat you keep in banks is likely to be either valuable single items *outside general insurance policies*, or else those papers whicb are very awkward to lose.

Sbare *certificates* can at least be replaced—even between the time you buy a share and the *time* it *is registered* in your name, a broker's contract made on the day of the purchase proves your *title*. But deeds to bouses can involve long and troublesome negotiations if they have to be replaced. That is *the real* tragedy for the queues in Baker Street.

Michael Pye

TIME TO BUY

lefusion for colour boom

JR TV is Britain's boom y right now, and is likely to so for the next three to ars. Deliveries of colour ast year totalled 469,000. ear they are expected to 0,000, with a minimum) next year. It is little r then that Telefusion, an llion company which sells ts TV and other electrical nent, and which is also a operator of wired tele- systems, should be able to it its colour TV business is g at no less than five times ar's. Its monochrome side, m failing away with the e in colour TV, is twice ar's volume.

increase in sheer volume ther holstered by the profitability of colour TV . Income from colour is some 2.8 times that le from black and white Although depreciation are greater, overheads do se by anything like the roportion. Showroom ex- book-keeping, administra- main much the same for pes of business.

company's past conserva- preciation policy is also off now. Last year's £2 depreciation charge (for r ending April) compares 1.85 million in 1969/70, the considerably higher ion of colour TV sets. In o previous years, Tele- had completely written off line black and white sets. income from these fully ated sets is all pure profit. it contribution remains nt.

w scheme introduced this whereby advance rentals een replaced by a non- ble installation charge of followed by immediate payments of, for example, week for 17-in sets, adds 20% more profit in the ar. And with the bulk of tals being done on this the impact on profits be considerable.

from its 200 retail out- lefusion has developed a uccessful chain of 30 Cash rry discount stores. Its manufacturing subsidiary ing from larger premises wired television systems ing particularly well, not- Belgium, where Brussels surrounding conurbation ortly be wired up for V.

SET now halved, I am ng to see Telefusion's or the first half something up at £700,000, with the half better by probably This would imply earnings third to give a prospec- E of 20 at 240p. This take into account any from Trident Television, ch Telefusion with 10% shares is the largest share- Trident itself is expected ase its dividend substan- see Marketmeter). After ar's meagre £62,000 to on, it would not be time. But Telefusion's tly high multiple must e regarded in the a continuing boom for three-five years. The is that the market in es is narrow. So don't on Monday. Spread it week.

Can London save Europe?

ON OCTOBER 1, a new international outfit, the Compagnie Européene pour de Developpement Industriel at Financier, opens its doors for business in Brussels. Backed with £100,000 of cash from the ICI Pension Fund (giving it a 33% stake) CEDIF has been set up primarily to negotiate mutually profitable partnerships between UK and European firms in the expanded Common Market. But the thinking and research behind it spell out a whole range of major new opportunities for the London Stock Exchange. And in particular they suggest that the £250 million of addition investment demand due to be generated from 1975 by the Government's vast new Reserve Pension Fund, far from swamping the market, may come only just in time to meet the needs of the new equity customers.

The basic premise of CEDIF's directors, who include Lionel Barras, one of the members of the CBI economic committee, and Leon Gingembre, the influential head of France's powerful Confederation of Small and Medium Enterprises, is that Europe is stuffed with largish companies, usually unquoted and family controlled, which one way and another are crippled by inadequate access to equity finance. Stick-in-the-mud concerns, faced with falling sales and collapsing profits as a result of growing intra-Six competition, cannot be bailed out by a British-style paper bid; and aggressive, fast-growing firms are quickly strangled by interest charges on the bank loans which are their only source of capital.

To assess the potential CEDIF called a meeting in Bordeaux earlier this year to discuss "Trans-National Opportunities." The heads of 100 companies turned up—each of them with something like 10% of his own market and a pile of worries—and 16 are now discussing possible deals with UK partners.

The European message is coming through increasingly clearly for the £1m.-£10m. firm—either expand to cover the whole Community or go to the wall. Expansion—witness the almost total absence of cross-frontier mergers in the Six—has been very hard, largely due to the stranglehold of the banks. Now British companies in the same range will have just the same choice. But most of them can offer one unique advantage to a Continental suitor—access to Throgmorton Street. If they have any sense they will use this for all it is worth. And the London Stock Market, by 1980, supplemented by the Government's pension fund, could well be the real European Bourse.

Odd property

INSTONE Bloomfield controls one of the oddest and most secretive property companies on the Stock Exchange, Oddeninos. It does not publish its true assets, and since over half the £25 million fixed assets in the books are in the USA where property is depreciated, the true assets seem likely to be substantially understated. In addition to property investment and development, Oddeninos owns an international hotels chain, which includes two-thirds of the Royal Garden in London and the Hotel Westminster in Paris.

Bloomfield has wanted to float off the hotel operation for some time. That would leave a very interesting property company with cash of 150p a share. In a year when the hotel profits are expected to fall 25% from last year's £1 million. Bloomfield would be willing to consider merging away the hotels interests to any interested party.

The hotels profits slide is due to the disruption from renovating The White House restaurant and the Athenaeum Court hotel. This is quite typical of Oddeninos, which follows a very conservative policy of writing off development expenses immediately, which is why there is very little left to profits out of £2 million rents collected last year. This stores up profits for the future: rents could well double in three years, for example, but the development load is heavy with big office/commercial schemes in the USA, Canada, Australia, and Brussels. It is for the true value of all this that investors are willing to pay above the odds for a tight few shares, at 348p a share.

Watch and wait

SOFT CONTACT lenses did miracles on Wall Street for Bausch and Lomb—a stunning rise of more than 200%. Can the Hydron material pull the same trick for Smith and Nephew here after last week's deal with National Patent—justifying a currently pricey level of 76p, and building in profits which could counterbalance the troubles with British Tissues? Not this year, it won't; the new soft contact lenses will not hit the market until 1972, and doctors have to be convinced first that the product is right. But once the idea catches on, S & N are very nicely placed to exploit it to the full.

It will be the sole manufacturer in Europe of basic Hydron, an absorbent polymer; it owns half of Hydron Ltd., a joint company with National Patent in New York. It also has exclusive rights to make and market the soft lenses in the UK, again through a 50-50 company. And the medical uses of Hydron mean a very solid name in medical products—which S & N has—and a good set of retail outlets. S & N already has around 15% of the £7.5 million contact lens market here through its own centres.

Contact lenses currently slip into only 5% of the British eyes that need glasses; but the trend is ever upward, and in the US has reached 10%. Profit margins are tastily high. American interest should boost S & N as it did Bausch and Lomb; but it won't be an overnight miracle.

Stephen Steen, with a soft plastic eye on the future

Little problems

DESPITE market scepticism last week the Vickers recovery is starting to happen. The figures showed equity earnings just under £1 million for the half-year against an effective £3 million for the whole of last year (ignoring the special contract write-offs).

But the latest results are more soundly based. The biggest problem area, Vickers-Zimmer, is out of the way. Five separate divisions in the troubled engineering group have been sold. Engineering as a whole is in the black, after last year's traumas, and is due for more changes. The Italian chemical interests are on offer. The elaborate automated blood-analyser is under suspended sentence: with its development costs now written off it must pass its acceptance trials before the end of the year (in which case it could make real money), or it goes.

With shipbuilding and heavy engineering surprisingly buoyant, Vickers is left with many small problems, but no very big ones. Financial disciplines are tightening: monthly accounts are being produced, stocks are down and debtors cut by £8 million. Some 3,500 employees have gone, a 15% reduction in the non-shipbuilding labour force which gives a better cost structure for when orders turn up again. With short-term liquidity under control, the dominant financial problem is the repayment of £10 million of loan stock in 1974. This makes the management very conscious of its share price. The second half of 1971 will turn in modest profits and a still meagre dividend, but a strong upturn in 1972 is well within reach. At 76p, the 16 P/E on the current £2 million earnings rate discounts some growth, but Vickers will surprise the market next year.

MARKETMETER

More profits and bonus from Trident?

● Trident Television has come up this year from 22p to 70p. The market clearly expects the company to beat its forecast £1.6 million comfortably, and one broker's circular has predicted £2 million with earnings per share of 4.2p. I hear, however, that even that considerable expectation will be passed with profits of over £2.25 million and a scrip issue to boot. It would fit in with the broker's estimate of £4.47 million in 1971/72.

● Heenan Beddow's offer document for Reeves and Sons is tucked in with the offer for Conway Stewart. Both offers are described on the cover as being recommended by the respective boards. You have to get to page 11, half way through the third last paragraph, to discover that Mr C. Simmons, a director of Reeves, and holding 18.6% of the company's shares, has disassociated himself from the recommendation. Clearly Samuel Montagu, Heenan's bank, have a high opinion of shareholders' concentration.

● Life assurance, lagging behind the Index all this year, spurted briefly last week in the warm light of the Government's pension plan. Which is odd—brokers knew the details six months ago, and there is nothing to help the life companies. Prudential's 182p to 194p rise has logic—motor insurance is fast turning round and the Pru is solidly reliable. Elsewhere, even mainly industrial insurers like bid-prospect Brittanic benefited slightly.

● Stone Platt is rapidly gaining popularity. Its orders for highly profitable textile machines, particularly overseas are buoyant and I hear that more big ones are in the offing Stone-Platt has always seemed to cope with inflation and it can expect to benefit from both engineering and textile recovery. Yet the P/E is a humble 13.5 at 72p.

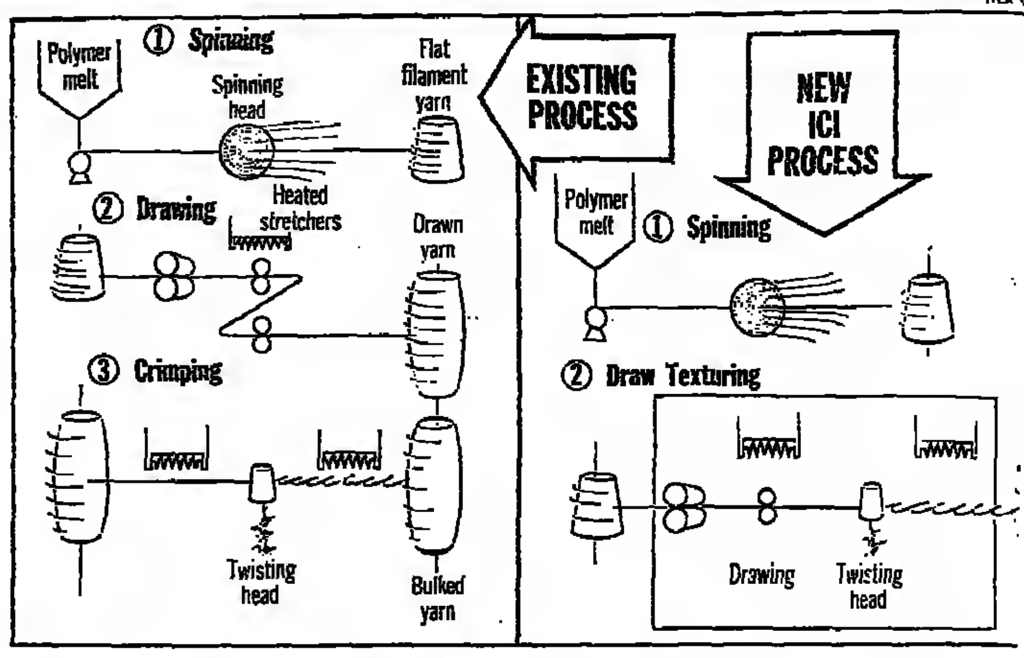
● Abercom's annual report goes out this week showing assets at 161p a share, 28% up on last year. But take-overs now coming thick and fast pushed the share to a new 306p high last week, when the private Airtec Engineering Co was acquired for £270,000. The first take-over of a South African subsidiary of a UK company will be announced in a few days to keep the shares bubbling along.

● Qualitex revealed in the offer document from ICI last week that managing director Mike Likierman placed a limit order on the stockmarket to prevent the Qualitex share price falling below 30p and in fact took up 50,000 shares in March and April. The figures in the Qualitex balance sheet show net assets of £4.445 million which includes goodwill of £4.445 million, a net worth to shareholders of nil! ICI which is paying £12 million for Qualitex claims that assets are understated. Realisations will earn £2 million and royalties and receivables plus £6 million of tax losses don't appear in the figures at all.

● RTZ caused gloom and despondency with its 20% profits fall to £38.1 million thanks to low copper prices. Not everyone believes that copper is a disaster area. LME broker Phillip & Lion warns that strikes in the US and elsewhere have put demand-supply in balance again, and although producers are keeping big stocks, thus depressing the exchange, a small increase in demand will do wonders for the price.

● Wall Street suffered another week of sluggish trading last week, as investors refused to commit themselves until President Nixon decides how he plans to control inflation and stimulate economic activity after the current wage-price freeze ends on November 12. The Dow Jones industrial average eased 2.78 points to 908.22. Most stocks showed only fractional changes, although Ford and General Motors scored gains of 1½ points and 2¼ points respectively, following spectacular sales gains in August and early September.

The Government is allowing ICI to carve up the independent fibre processors—for the sake of a technique that will be obsolete in five years. JAMES POOLE unravels the firm's tangled plans for textile fibres.



New twist to an old yarn brings mixed blessings to ICI

ICI's TAKE-OVER of Qualitex and tbe fibre processing businesses of its Carrington Viyella subsidiary may seem just another storm in the textile industry teacup for the cbemical giant. Tbe Department of Trade quietly let the deal through this week with a mild warning to ICI not to try to get any other independent texturiser.

But behind the move lies the beginnings of a profound switch in the way textile yarns are prepared for making into fabric. At present in the UK we have a strong independent yarn texturing industry; these are the people wbo take a dull ribbon of cbemical polymer and, by twisting it so that the fibre curls up on itself, give it stretch and bulk and life in the final fabric. Now ICI wants to telescope this process with their fibre preparation as part of the manufacturing process which they call draw-texturing.

Since ICI wants to do this particularly for the volume bulked fibres, they were faced with the choice of buying up a sizeable chunk of the texturising industry or creating a bloodbath by trying to fight their way in just as bulking capacity moves into surplus all over Europe. ICI is by no means alone in this development; Britisb Enkalon, will be doing it for its new UK polyester filament production. But ICI is faced witb a number of problems the least of which is eating its own words.

The strength nf the independent texturising industry in the UK is largely ICI's creation. Through the famed Crimplene Club, ICI gives special treatment to some texturisers and in return they take only ICI fibre. This marketing success story was very profitable for the texturisers for a time and enabled the men from ICI to supply 80% of the polyester used in this country.

Now in buying Qualitex and the Tattons texturisers from Carrington for £23 million, ICI gets between 35% and 40% of the Crimplene Club. But it must keep up its polyester market by selling fibres to tbe Club members left out in the cold: English Calico, Coats Patons, Lister. At the same time it will be competing with tbem, with a premium textured yarn of its own making.

As Ken Gardener, ICI Fibres commercial deputy chairman says of the development tests to date: "The knitters are paying more for it because it performs better, and at the same time it is cheaper for us to produce. We would be mad, not to go ahead."

The fibres concerned are all filaments (the cotton type of yarn whicb is spun from sbort fibres or staple is a *different story*). As sbown on the diagram, present manufacture is by separate drawing, *which stretches* a bot fibre by up *to five times*. Some fibre companies such as Du Pont bave tacked this stage on to the spinning stage. *A separate and much* slower texturing stage follows, to impart a variable degree of curl or twist. ICI bas put the drawing and texturising stage together to produce its own Crimplene, its textured polyester.

Bulked fibres are ideal for the fast, cheap knitting processes. Nylon typically goes into lingerie and bosiery, polyester into stretcb fabrics like jersey. Most fibre makers already texture their own branded stocking nylon. ICI bas Tendrelle, Du Pont bas Cantrece, Enkalon has Enkasheer. In addition, beavy duty fibres are producer-textured for carpet and industrial yarns.

Bnt texturisers faced with tbe new ICI full range draw-texturing machine can only eventually go out of business, or else specialise. Some bave threatened to fight back by installing their own draw-texturing machines but ICI believe that they will need long-term supplies of unprocessed raw polyester, and no fibre producer will cut his own throat by supplying this. *However, there are un*confirmed reports of marginal amounts of raw polyester being bought in the USA this month.

The irony of the situation, bowever, is that this breakthrough process was fully develnped by the ICI-Courtaulds joint venture British Nylon Spinners as long ago as 1962, and it is only given a useful life of five years. After that, it will be superseded by a tbird generation macbine whicb all major fibre producers are desperately trying to make, which will solve the problem of marrying the *fast spinning stage* and the slow texturing stage.

ICI's Gardener: not mad

A number of things bave come together now to make ICI decide to go ahead, on a partial answer. A new broom ICI board took the decision in principle only 18 months ago that ICI could compete with texturing customers.

ICI's US associate Fiber Industries brought the process up to date and finally ICI's European competitors, like British Enkalon, looked as if they migbt beat ICI *to the draw. Then Qualitex* became available after getting bogged down buying tbe troubled Klinger texturing business from ICI.

But even within ICI tbe takeover bids have critics. buying a lot of useless ery? The texturing indu become very slack if stops buying polyester surcharge. ICI claims forecast the USA d before this summer's b ing whicb ICI had to more polyester from J cause it could not make ICI must be relying o sumer textile take-off io to take up spare capaci

ICI also gets some benefits by buying its te friends: £3 million pr forecast. ICI will get *million selling off* the fabric interests and tber losses in Klinger stil some £2.5 million to IC so, I would not expe investment to pay out five-year life.

Pay-out depends on ment of a spin-draw-tex to take over after draw-t is finisbed. ICI already extremely clever machir is linked to ICI Fibres know-bow of mixed or geneous fibre systems. make a filament of two polyester and beat it, th ential shrinkage of the t will cause the yarn to like a watch spring.

Already ICI employs t ciple in a staple yarn, T plus-T for men's suits. T principle is bebind ICI age fabrics, the melded are welded, by-passiog manufacture altoget melded carpet is alread market, and last week L introduced an ICI melde backing, Cambrelle. T development will be fu fabrics, and so graduall finer fabrics for appar Qualitex Carrington d only the beginning of th

£700 million in the black

ECONOMETER

● **TRADE** showed a massive £68 million surplus in August. This makes an average monthly surplus of £14 million in 1971 to date. Exports, for the same period, were 8% np on the second half of last year. About balf of this is greater volume, half higher prices. Imports were up 5½%, mostly in the form of higher prices. The balance of payments *surplus implied in this is* over £700 million a year.

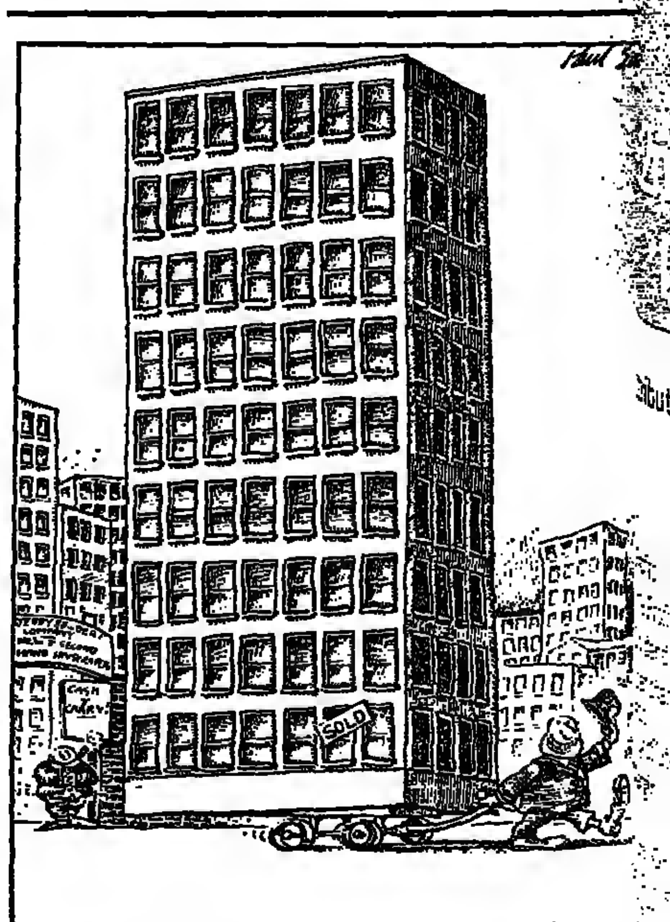
● **EXPORT PRICES** in the three months to July were nearly 9% higher than a year before. Import prices were 4½% np.

● **INVESTMENT** by manufacturing industry was 4% lower in tbe second qnarter. Comparing the *first half* with the latter half of last year, it was down 7%. Shipping investment continues to rise, reflecting *completions of sbips* ordered during tbe shipbuilding boom, but other distributive and service industries' investment shows the same drop for the first half of 1971 as manufacturing.

● ***STOCKS held by manufacturers*** dropped £116 million (valned at 1963 price levels) in the second quarter. This is the first quarter to show destocking since the beginning of 1968, wben over £100 *million* of goods delayed by the 1967 dock strike were shipped abroad. Similar movements probably contribnted towards this latest destocking, but almost certainly does not account for all of it.

● **MOTOR VEHICLES** turnover (at current prices) was up 15% on July 1970. New car sales show an even greater rise—abont 18%.

● Figures published by the Department of Employment yesterday showed that the increase in the cost of living during August was 0.1%, the smallest for 12 months. *In tbe year from August* 1970 to August 1971 the index rose by 9.8%, compared with in*creases of over 10% the previous* two months.



Don't miss reading the new Commercial Pro pages starting next Sunday, September 26, in Business News.

Games but no fun as wives cut down on food

Women are frightening the grocery trade by steadily buying less food over the past five years—a pattern that shows no sign of a let-up. GWEN NUTTALL describes some of the trade's anxious schemes to entice the money back.

Frank Herrmann

Joe Rubin of Marela: more snakes than ladders in the grocery trade at present

OO IS a long, long way from cabbage on the average shop- list. That is why one of the ntry's top three pickle spe- ists, Marela, has raised more n one eyebrow by introducing nge of games like ludo and ights based on the BBC dren's programme The Magic ndabout to sell alongside the flakes in your local super- ket.

nd that is not all. Paper cups, es, and napkins bearing pic- s of Roundabout's Dougall, most famous dog in junior ision, plus records and books, part of the package that ela is now offering large ery chains through the same force which hitherto has tedly expounded the virtues ickled onions and Fardon's neys.

is new venture provides the est illustration yet of the s now worrying the food stry. Manufacturers and re- rs alike are frantically hing for new lines on which can make the sort of profit eep shareholders happy, be- e housewives are shelling out of the housekeeping money eding their families.

at may seem unlikely to ands fending off pleas for bigger budgets to cope with al shopping. But the fact ins that, over the past 12 ths, grocery sales have ped in real terms: turnover have moved up by what s a healthy 6½%, but the npanying 8% rise in prices wiped out genuine growth. this is not simply a tempor- reaction to high unemploy- . Over the past five years, en have been cutting back ling on food, now 2% less in 1965. That means a lot isiness, seeing that we will l a hefty £6,437 million on ing the larder this year, rding to the Prices and nes Board.

omen have been reacting of course to slimmer wage packets. Fine Fare's marketing director Alistair Grant, says "We have noticed quite a marked swing away from beef towards New Zealand lamb and cheaper cuts of meat, together with a trading down by the housewife—luncheon meat instead of chopped pork and ham, own label canned vegetables instead of branded stock."

This is the fundamental reason for the recent surge of new activities by some of the best-known household names in Britain. When the market shrinks, competition gets nastier and tougher. It *has* to be hard to make a living when Lord Watkinson, chairman of Cadbury Schweppes, a company with two of the best brand names in the business, admits that the UK food operation is "a problem child," as he did recently in America—especially when foods (such as Smash instant potato) were seen as the way out of over-vulnerable dependence on confectionery and soft drinks at the time the two companies merged in 1969.

So Smith's, the crisp people, started a takeaway chicken meal venture called Smith's Kitchens; General Foods bought the franchise for Kentucky Fried Chicken in the Midlands earlier this year and will launch its own competitor to Avon cosmetics in October with Viviane Woodard; Heinz opened its first restaurant, the Beef Tree; and Brooke Bond Oxo is experimenting with a garden centre at Esher.

Marela chose to diversify into non-foods, while still selling to the same people who had been buying its pickles for years. The reasoning was simple: as life had grown more competitive for the supermarket chains, they had begun stocking more of the general household goods and toiletries which gave them a higher profit margin than food. Fine Fare started a Fine Ware department, Tesco opened Home 'n Wear, other groups ventured less dramatically, but the net result is that they have grown more alike and are looking at anything which will differentiate them from the competition while still yielding more money than soup or instant coffee.

Marela's chairman Joe Rubin, LSE-trained, reckoned that toys could become a supermarket line even if they only appeared on the shelves for three months before Christmas. "I knew we had something when one buyer said he wanted a family product. An awful lot of women shop with kids—do you know more than a million women over 30 watch Magic Roundabout?—and our games are cheap enough to be impulse buys."

Establishing Pleasure Products to organise the new range went down well with Marela's owners, the American conglomerate W. R. Grace, which bought the pickle company in 1966, as its spearhead into the British food industry and then found further acquisitions too expensive. Expansion in Europe was easier, but the mere fact of belonging to a group owning Belgium's biggest jam-maker, Holland's top soft drinks manufacturer and the largest ice-cream firm in Switzerland meant that Grace's UK company, only No. 2 in the pickle market, felt it had to try harder.

If Pleasure Products meets its target, Marela's growth will be jacked up from 5% to 24% a year. And the supermarketeers will have a tasty new trade. "Toys and games add up to £165 million a year," claims Rubin. "I reckon the grocery business can take a £30 million chunk out of that, with a £10 million profit. That's more than anybody makes on food."

It is also, if Rubin has got his sums right, a bigger slug of business than traditional products like toothpaste, worth some £28 million. That is pretty good going for an operation that only takes up valuable shelf space three months of the year. But some of Pleasure Products' new lines have to be aimed at year-round sales—paper cups and napkins, again embellished with Dougall, to enliven birthday parties or picnics; greetings cards which borrow the American habit of celebrating events, such as "back to school," that the English have never made much of before; and a new way of telling stories to children. *This consists* of a pack of nine cards which fit together and can be stuck on the wall and taken down any number of times without harming either the wallpaper or the cards, all for 25p, or *less* than the price of a book.

Price is vitally important. Marela's innovations have to trigger impulse purchases just like the confectionery range at the check-out; because if there is one criterion supermarketeers agree on it is *fast* turnover. When a foot of selling space costs them £8 to develop, they look for at least £1.50 worth of sales per foot every week if they are to make the slim 3% profit which is considered good going.

Not everyone has always picked the right mix of non-foods to walk off the shelves as fast as profit targets dictate. Fine Fare, which started off on a broad front invading the Woolworth franchise, now admits it made mistakes. And it has begun to question whether profitability is the sole justification for stocking a product. Sainsbury has no doubt that it would be wrong to stock only fast-moving goods, because customers would get a worse service. "Nobody pretends that herbs are great sellers, or that portions of turkey are snapped up as fast as whole chickens, but we stock them just the same."

But just when the larger outfits are wondering about the wisdom of policies that have brought them into competition with M & S and Curry's the small man is thinking about expanding his range. VG, one of the voluntary groups of independent grocers, has till now maintained that its shops were too small to stock non-foods successfully. But it is now working out a theory of convenience stores which are convenient in the range of goods carried—plastic bags and stationery as well as dairy products—and not simply in their situation. It's almost back to the old corner shop, scientifically planned round products the housewife buys at least once a fortnight.

No one claims the right mix yet. But the move into non-foods has broken down the old distinctions between grocers and other retailers. While Sainsbury and Waitrose continue to emphasise their role as food sellers, others have discovered they are in retailing and not specialists in bacon any more.

Throwing down the old barriers means new entrants can play the game too. Shell has a test supermarket on one of its Scottish stations. Texaco has linked with Safeway in Wembley for a supermarket-plus-petrol-station complex. If the oilman cometh, the game could change out of all recognition.

/ool goes up the wall

BY BILL GLENTON

TING WITH their backs to vall against man-made fibre etition, Yorkshire's wool now look like being driven .

at is precisely what French- Jean Pierre Teroy is setting to do, but only to get the industry off the floor.

rried to the daughter of a ford wool merchant, he has ted a wall covering made wool (you could call it lpaper"). Consisting of long side by side and glued to ng paper, it comes in rolls hangs more easily than ary wall coverings.

er an 18 months test in a pub, Bass Charrington ls to use it in others about the North. Trust s Forte, which has used it new Leeds-Bradford Post which opened this week, is ikely to install it in some other hotels.

ording to Jean Pierre, treat- has made it dust, fire, moth and generally insect repellent. At £1.65 per square yard it is pricey, but no more so than other coverings.

Export orders are beginning to come in from California, Germany, Scandinavia and South Africa where it is to be hung in a cinema. The International Wool Secretariat is keenly interested and is offering extensive help in finding buyers.

Jean Pierre explains: "I invented a way of making high speed wool carpeting, but the competition from synthetic fibres was too great and you could say I was driven up the wall in finding an answer."

At present he is anxious to sell only to the contract trade, but it is such an obviously good idea that public demand might force full-scale marketing.

An advantage of the "wool-paper" is that when removed (it is just as easy as taking off vinyl coverings) it can be used for an alternative range of household purposes.

Company Meeting Reports

Zambian Anglo American Limited

INCORPORATED IN BERMUDA

STATEMENT BY THE PRESIDENT MR. H. F. OPPENHEIMER

In last year's statement it was announced that Zamanglo's policy would be to maintain and, where possible, increase its Zambian investments, but also to seek new business opportunities throughout the world in which to invest the capital funds released from Zambia following the acquisition by the Zambian Government of a 51 per cent interest in Zamanglo's major assets, the Zambian copper mines. *It is pleasing to report now that our first full year since re-incorporation* in Bermuda has seen considerable progress towards these aims. Zamanglo has taken advantage of the substantial flow of funds from the Zambia Copper Investments Limited (ZCI) loan stocks redemption payments and the possibilities of operation from Bermuda to make investment in Australia and the United States where the long-term prospects for growth are favourable. At the same time our Zambian copper mining interests have targets for increased production. While these may be difficult to achieve by 1974, as planned, there is no reason to doubt that the targets are, in themselves, capable of fulfilment.

PROFITS

After receiving dividends of £9 794 000 and interest and sundry income of £4 424 000, Zamanglo's consolidated net profit after tax for the period ended 30th June, 1971 was £13 934 000. This is £2 971 000 less than the previous year's profits, which of course *included special terminal dividends from Rhokana Corporation* Limited and Nchanga Consolidated Copper Mines (1937) Limited, the high level of which was primarily attributable to increased copper production and high selling prices.

Copper prices have since fallen substantially and this, together *with the Mufulira accident to which reference is made below*, caused a reduction in dividends from Nchanga Consolidated Copper Mines Limited (NCCM) and Roan Consolidated Mines Limited (RCM) which led, in turn, to ZCI paying lower dividends in its March and June 1971 quarters.

The Company paid an interim dividend of 25p and, in line with our declared intention of passing on to shareholders the bulk of Zamanglo's income, a final dividend of 15p has been declared. These dividends absorb £12 667 000 and leave, after transfers to capital and general reserve, an amount of £1 035 000 which, together with *the unappropriated profit from the previous year less the special* interim dividend of 12½p, makes the unappropriated profit at 30th June, 1971 £4 308 000.

Shareholders will remember that, with effect from 1st January, 1970, the Zambian copper mining operations of the Anglo American Corporation Group were transferred to NCCM and those of the Roan Selection Trust Group were transferred to RCM, to facilitate the acquisition by the Zambian Government of a 51 per cent interest in each company. Zamanglo's resulting interests under this re-organisation are held through ZCI which holds 49 per cent of the issued equity capital of NCCM and 12.25 per cent of RCM. As explained in the director's report, Zamanglo now holds 49.98 per cent of ZCI which, like your company, is Bermudian-registered.

COPPER MINING

In the annual report and accounts of ZCI, which gives details of NCCM and RCM production and financial results, the past year was marred by a serious accident at RCM's Mufulira mine, where a massive underground mud-rush caused a tragic loss of life and a total production setback. It was a considerable achievement that the mine recommenced production within two months. While it is currently operating at about 40 per cent of the planned production *rate prior to the accident, every effort is being made to maximise* production from the other divisions of RCM.

NCCM has set itself the target of increasing its copper production by approximately 100 000 tonnes to 500 000 tonnes by 1974. RCM, likewise, is aiming to increase its production to 400 000 tonnes. Although there may be problems of timing because of the difficulty of securing engineering capacity and the effect of international inflation on construction costs, these production targets remain feasible.

Together with dividends from NCCM and RCM of £12 849 000, ZCI's profit after tax for the year ended 30th June, 1971, its first full year of operations, was £13 979 000. In accordance with its declared policy, ZCI paid out virtually all of its profits including those unappropriated from the previous transitional period and, from total dividends of £18 414 000, Zamanglo received £9 282 000.

ZAMBIAN INDUSTRY

Members will recall that in my last statement I explained the establishment of Zamanglo Industrial Corporation Limited (Zamic), which is our vehicle for investment in the agricultural and industrial sectors in Zambia. Zamic has had a good maiden year with dividend income totalling K371 000, of which Zambia Breweries contributed K441 000. Zamic's operating profit was K896 000 which, together with estimated income tax recoverable of K382 000, enabled Zamic to pay a dividend to Zamanglo of K900 000 (£525 000).

Zambia is suffering at present from a critical shortage of a number of basic food requirements, and considerable imports have been necessary to meet national demand. Zamic has therefore launched a large mixed farming operation, which will cost an estimated K4 million and will eventually produce a substantial proportion of Zambia's total output of maize, beef and milk. This capital expenditure is being financed by loan facilities from Zamanglo. This is the largest private investment ever to be made in agriculture in Zambia, and I am pleased that it has been possible for us to participate in *this vital area of national growth. The saving to Zambia in foreign* exchange as a result of the scheme is estimated at K30 million over a ten-year period.

AUSTRALIA

I would now like to report on the progress made in pursuing our policy of diversification, to which reference has been made. An *opportunity to become involved in a major new undertaking arose* following the decision by the Anglo American Corporation and Charter Consolidated Groups to expand their activities in Australia, through the formation of a new company, Australian Anglo American Limited, with a capital of about £9.8 million.

Zamanglo was offered and has accepted an equity interest in the new company of 30 per cent at a cost of approximately £3.3m. It is intended at an appropriate stage to invite the Australian public to subscribe for shares.

Since its formation Australian Anglo American has continued with the extensive prospecting programme and other activities previously conducted by the Anglo American and Charter Consolidated Groups. To date no economically viable deposits have been discovered, but several of the current prospecting ventures in which the company is participating show promise. In addition, exploratory discussions have been held with Poseidon Limited, and Australian Anglo American has made a bridging loan until 30th November 1971 of A$10.5m. (£4.9m) available to that company.

Zamanglo also invested US$7.7m to acquire from an associated company an interest in Engelhard Hanovia Inc., in which 70 per cent of the issued common share capital is held by Anglo American Corporation and associates. A major re-organisation of Engelhard Hanovia to put that company into a financial position where it can take advantage of suitable new business opportunities has almost been completed.

ENGELHARD HANOVIA

Engelhard Hanovia's major investment is a 44 per cent holding of the common stock of Engelhard Minerals and Chemicals Corporation (EMC). The principal activities of EMC are the refining, fabricating and marketing of precious metals; the marketing of ferrous and non-ferrous ores, metals and minerals; and the mining, processing *and distribution of non-metallic minerals.*

EMC has for some years conducted research into the development of platinum catalytic systems for use in automotive pollution control. It was therefore very encouraging when the Ford Motor Company announced in June 1971 its decision to use EMC's PTX platinum catalytic convertor on its vehicles to be sold in California in 1974, when emission controls standards become effective. EMC has been further advised that it is Ford's intention to negotiate an agreement with Engelhard for the supply of its convertor devices to cover all the vehicles to be sold by it in 1975 when U.S. federal standards will have to be met throughout the United States.

Earnings per share on a fully diluted basis for the six months ended 30th June 1971 declined to us US$14.0 million, equal to 46 cents per share, as compared with 55 cents per share for the first half of 1970. This reflected both the general decrease in the level of economic activity in the United States and the strike earlier in the year at the Engelhard Industries division.

FUTURE PROSPECTS

We look forward to the development of these new investment interests, and we shall take advantage of other opportunities of suitable new business. Despite this diversification, however, our Company will continue to rely heavily on income from ZCI for some time to come, and the continued profitability of the Zambian copper mining industry is therefore of great importance to us. It is particularly gratifying that the first year of our group's partnership with the Zambian Government in the operations of NCCM has been very successful, with copper production equal to the highest ever achieved and costs only slightly higher than in the previous year.

At the present there are major uncertainties as to the future of the international monetary system and, consequently, the further development of world trade. However there is reason for confidence that in the long term the demand for the products of a diversified mining organisation must grow, and we shall plan the development of our Company accordingly.

Copies of this statement and the report and accounts are obtainable from the London office of the company at 40 Holborn Viaduct EC1P 1AJ or from the office of the United Kingdom transfer secretaries, Charter Consolidated Limited, Kent House, Station Road, Ashford, Kent.

ITT timber bid starts forest fire

BY HARLOW UNGER, New York

WHEN THE Quebec Land and Forest Minister travelled to Sept-Iles earlier this summer, he thought he would be received with open arms by grateful members of the North Shore Development Council. For he had come to explain a deal the Quebec Provincial Government had just signed with America's ITT Rayonier to bring $500 million worth of investments to the poverty-stricken, isolated fishing villages of Quebec's God-forsaken coastline along the north shore of the Gulf of St. Lawrence.

But instead of gratitude, Minister Drummond received nothing but abuse from the council. Arsene Henry, council president, shouted that 90% of the people in the Sept-Iles area would be unqualified to fill jobs at the mill, because of the Grade 10 education required.

Charging that Drummond had given away the area's precious natural raw materials without getting anything in return, another council member complained that the mills "cut all the timber available for 40 years and then pack up their bags and leave. The forest is cut down and there's nothing left."

At the centre of the controversy is ITT Rayonier, the natural resources subsidiary of America's giant International Telephone and Telegraph Corporation. Under the agreement between ITT Rayonier and the Quebec Government, the American firm will have timber cutting rights to 27,000 square miles—more than the combined area of Belgium, the Netherlands, and Luxembourg—along the north shore of the Gulf of St. Lawrence for 40 years. ITT will pay the province a mere 50 cents for every cord of wood it cuts, compared to the current market price of $3 a cord.

ITT representative Buck Haskell explained the bargain-basement price to the council by claiming that much of the black spruce timber is of poor quality, there are no roads and the area is inaccessible in winter. Most of the trees are no more than six or seven inches in diameter, according to Haskell, and they seldom grow higher than 30ft. because of the harsh winter. In addition, Quebec is offering ITT none of the concessions usually offered by other provinces, such as a tax holiday and government financing.

Haskell said he hoped to hire as many local people as possible, although he admitted that, "we expect the people in the plant to be experienced, intelligent people, and we'll bring in the supervisors from the United States." Haskell admitted the company would not reforest the land or even bother to cut the forest selectively.

When council members charged that the entire scheme was nothing but a giveaway, both Drummond and Haskell insisted that "you must have trust in our good faith."

Geneen, a 20-hour day

There are more than a few Americans who would think twice about trusting in the good offices of ITT and its subsidiaries. Indeed, the company has won the not undeserved reputation of being always prepared to put its own interests ahead of the public interest.

US law clearly forbids companies beholden to foreign interests to have any interest in American broadcasting—to prevent a flood of propaganda. But ITT, with more than half its revenues derived from overseas operations at the time, barged ahead with a 1967 take-over attempt of American Broadcasting Companies, America's third largest radio-television network. Only the promise of a Justice Department anti-trust lawsuit finally forced the company to back down.

More recently, ITT's Continental Baking Co. subsidiary has been in almost continual trouble with Federal authorities. Earlier this year, the Federal Trade Commission forced ITT Continental to stop misleading the public in its advertisements for Profile diet bread and to stop claiming any nutritional advantages for its Wonder bread, which is no different from any other standard bread on the market.

But deceptive advertising is not the only ITT practice that has angered the US Government. The company has been one of the most aggressive conglomerate corporations in America, having taken the acquisition route in its spectacular growth from an $800 million a year communications equipment corporation in 1960 to a diversified $6.4 billion giant in 1970.

Now the eighth largest corporation in America, ITT remains the world's largest manufacturer of communications equipment. It operates telephone subsidiaries in Europe and South America, although Chile announced last week that it would nationalise ITT operations there.

In addition to its telephone and telegraph operations, ITT is a major factor in hotels (Sheraton Hotels Corp.), a major food processor and producer (Continental Baking Corp.), an important lumber and lumber products producer (Rayonier), a mutual fund operator (Eurofund), and the fourth largest insurance company in the US, through its $1.5 billion acquisition of Hartford Fire Insurance—America's largest merger ever.

Last year, the Justice Department decided that ITT's appetite had got too big and filed suit to force ITT to divest itself of Hartford Fire Insurance Co. as well as Canteen Corp., a vending machine manufacturer, and Grinnell Corp., which makes fire protection equipment. Last July, ITT backed down and agreed to a deal to divest itself of an equivalent amount of assets which included Grinnell, Avis, America's second-largest car-hire firm, ITT-Levitt, America's la[rgest] house-builder, and two insu[rance] companies. The deal was a s[...] to most Wall Street analyst[s as] well as ITT competitors—[...] of whom had ever seen [...] driving, British-born ITT C[hair]man Harold Geneen back [...] before.

ITT, of course, is la[...] Geneen's own creation. Whe[n he] took over the company, it [was] involved only in telecommun[ica]tions. Geneen has literally dev[oted] his entire life during the [...] decade to building ITT. [He] tolerates no dissent.

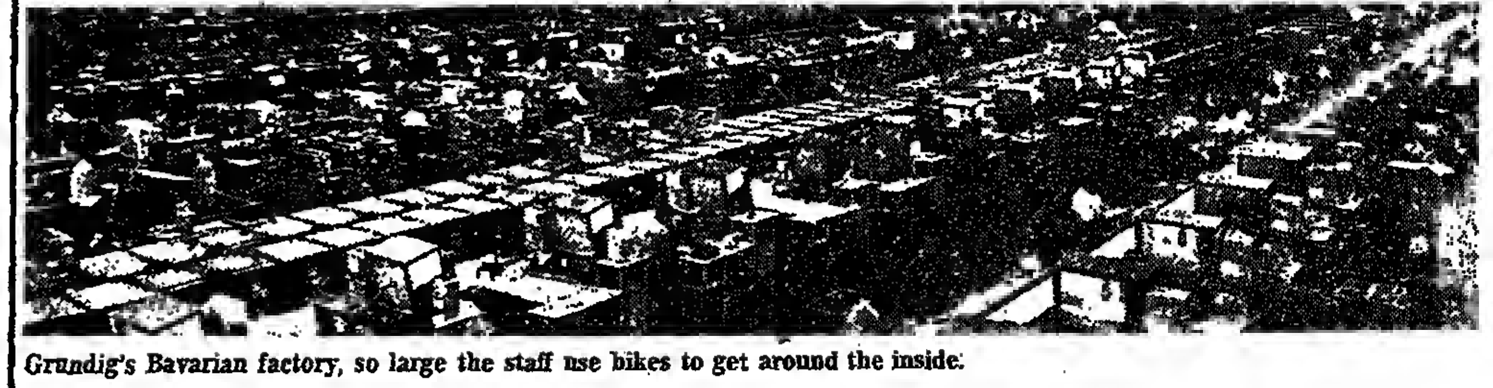
His aides are not only expe[cted] to carry out his orders. They [are] expected to work as hard a[s he] does—about 20 hours a day, s[...] days a week. He is now mar[ried] to his second wife—his for[mer] secretary—and has no chil[dren] and no social life.

He is America's best-paid [...] executive. Last year he [paid] himself a salary and bonu[s of] $766,000 and he exercised s[tock] options worth $795,000. [In] exchange for 100% devotio[n to] ITT affairs, his top executives [are] paid the highest salaries [in] America. Five top ITT offi[cials] earned more than $200,000 [a] year. (A number of these [were] charged by the Securities [and] Exchange Commission with v[iola]tion of insider trading regula[tions] after they sold 14,364 ITT sh[ares] prior to the announcemen[t of] ITT's divestiture deal with [the] Justice Department. ITT s[hares] dropped from $62 to $52 a s[hare] following the announcemen[t.])

Geneen has whipped his [...] team to one of the finest [cor]porate track records in Ame[rican] history—48 consecutive qua[rters] in which net profits were hi[gher] than in the equivalent quart[er of] the previous year. With [the] Justice Department ha[ving] banned any further dom[estic] satiation of ITT's appetite [for] acquiring other companies, [the] question now being aske[d is] whether Geneen can improv[e] his performance.

Most analysts insist he ca[n by] simply gobbling up firms [over]seas and negotiating slick [deals] like the one announced in [Sept-]Iles, Quebec.

So, despite the Justice De[part]ment's restrictions at home, [ITT] promises to remain one of [the] world's most voracious comp[anies] outside US boundaries.



Grundig's Bavarian factory, so large the staff use bikes to get around the inside.

Why the doctor's radios are thriving

BY RICHARD MILNER, Nuremberg

GRUNDIG International, the German-based electronics combine that got going post-war when Max Grundig jumped through a loophole in the regulations, has 24 factories 30,000 employees and a turnover of more than £133 millions. It is controlled lock, stock and company bank by Dr Grundig himself. But its fastest growth sector is Grundig (Great Britain), which as an independent agency is now stepping up its attack on the UK colour television market by charging £30-£40 more than its competitors and expanding at the stunning rate of 25% a year.

Now part of British Industrial Holdings, Grundig (GB) notched up sales of around £5.2 millions in 1970/71—two-thirds from domestic items ranging from City Boy transistor radios to colour television sets, and the rest from commercial equipment like Stenorette dictating machines.

And it expects to grow by another 25% this year. Colour TV will provide the main drive, as these were only introduced to the UK market in May. But radio and radiogram sales are also booming. "We never have enough radios," reports 46-year-old managing director Paul Spring. "And in autumn and winter, we are increasingly short of radiograms."

Britain has become the most important foreign market for Grundig International, which minds its own business in France, Italy and the United States and has only one other independent agency of any real size—Sieverding of Amsterdam, which covers the Benelux countries. Grundig (GB), which first imported a mere 500 "popular-price" tape recorders in 1952, is now thoroughly expansive. "Twenty-five per cent is really conservative," comments Spring, squiring a group of dealers round Grundig-land in Bavaria. "I have had to increase my order for radios for 1972 by 40%."

At first blush, the remarkable growth of Grundig International—posting an annual sales gain of around 15% since 1968—and its UK associate seems almost to be flying in the face of commercial nature. Cutprice competition from Japan has bruised many European TV and radio manufacturers. Yet Grundig has built the biggest colour TV factory in Europe, at Nuremberg-Langwasser, which is roughly equivalent in size to Britain's entire manufacturing capacity, with a production potential of 250,000 sets a year.

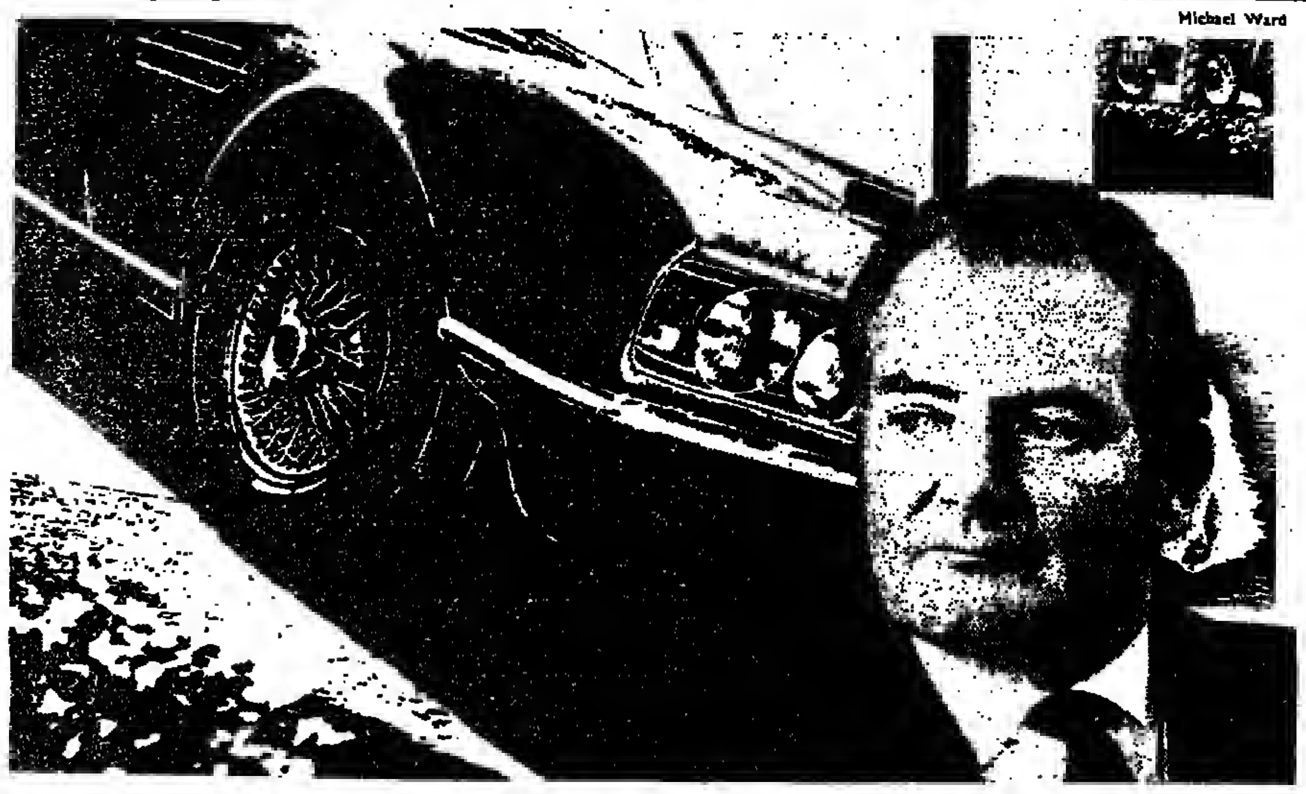
Currently working at half-stretch, but scheduled hopefully to approach full production early in 1972, Factory 16—part of an £8.5 millions development programme financed without a pfennig of outside capital—is eye-opening by any standard. The first colour-adjustment section is more than 100 yards long, lined with sets flashing the three primary colours. Progress-chasers pedal from point to point on bicycles. And the walls are decked with slogans like "Watch out!" and "Get it right first time!"

Electronics engineer Max Grundig, a chunky paternalist who celebrated his acquisition of a helicopter by thundering the full length of the administration block, "to see that everybody was working," had his first big break in 1946. At that time, licences were required to buy radios—but what about radio kits? So up popped the "Heinzelmann" (or Gnome) kit: just add a few army-surplus valves and turn on. But although his next major success was to mass-produce tape-recorders down to a reasonable price in 1952, 63-year-old Grundig has always relied on a hard sell of quality engineering rather than cut-price tactics.

Grundig (GB) is also firmly tuned in to up-the-market pricing, still remembering the time four years ago when they slashed the price of Satellit transistor radios from £120 to £99.50 only to see sales fall off. And while TV sales now account for about 20% of the British company's business on a sharply rising trend, radios ranging up from approximately £20 still represent a solid 35% or so and sell on the strength of German VHF technology.

British membership of the Common Market could mean [...] internal convulsion in Gru[ndig] International, as the remov[al of] UK tariffs averaging 16% [will] almost certainly involve su[pply]ing radios and black-and-w[hite] TVs from Germany instea[d of] EFTA-member Portugal. [...] chief executive-elect Dr C[...]meler and his colleagues [are] already looking at fresh ma[rkets] to take up what could be [...] slack capacity at Braga. [...] they may even have se[cond] thoughts about jobbing out [...] to Japan, for the British [...] dealers in Nuremberg last [...] made it plain that they and [their] customers preferred Ge[rman] quality at a premium price.

Michael Ward



ohn Boex ıf the David Brown Group (right) is ust one of Britain's very worried tractor men as the world market looks like going into permanent slump. GRAHAM ROSE explains why . . .

Tractors grind to a halt

HE WORLD tractor and farm-achine market has suddenly one into a dramatic slump. And hat is frightening the manu-ıcturers is that the slump may e a permanent change in the arket. They are adopting esperate measures to readjust the new situation. But even these provide a temporary espite it is now clear that many ell-known names will disappear the next decade.

Already there have been heavy dundancies among the British rms with 450 sacked by Massey erguson at Kilmarnock combine orks, 1,000 by David Brown at uddersfield 490 from Interna-onal Harvester works at Don-ster and 400 from Rawsomes, ıns at Ipswich.

The collapse of the major ctors of the world's £1,770 illion agricultural machinery arket has been both swift and amatic. New tractor registra-ons io Britain to July stood at ,437 compared with 19,655 last ar. In Europe only 7,000 com-nes (worth between £3,000 aod ,000 each) were sold for the 71 season—3,000 less than in 69.

In part the past success of the anufacturers is responsible for eir present plight. The trans-rmation of agriculture from a ıral pursuit to efficient large-ale operations was largely complished In Britain and orth America between 1940 and 969. The ingeouity of the agri-ıltural engineers meant that wer but more efficient farmers ould oust small less progressive en. Fewer farmers on larger reages inevitably call for a naller oumber of larger capacity achines and this more than ythlog else Is responsible for e industry's sad plight.

Apart from the increase in the ale of farms, in Britain econo-ic policy has had an important fect on machinery sales. Under e Labour Government farmers ffered a series of disappointing ice reviews and their profits rivelled. During that period anufacturers of both machines d components of all types felt der pressure to hold back price creases. Last year the dam oke, unleashing wage demands d material price increases. Few anufacturers lost an opportunity rounding up their prices and ricultural machinery was arked up by up to 30%. This ernight escalation in prices did t please farmers, many of om simply stopped buying. Some tractor manufacturers mit that such rapid price in-eases may have frightened mers away from the market. 'ractors have alway been very eap." John Boex, David own's managing director, ex-ioed. "Inevitably because they re invented in an epoch when m profits were very low. So w cheapness is a tradition and ctors are a low margin, high nover item. The farmer de-nds highly sophisticated and werful tools at rock bottom ces. In consequence manufac-ers have very little margin to ffer the effects of a falling nand. In many territories we 't pass on all of the tremend-s cost increases because we eady have to climb over tariff riers."

Boex's concern about the mar-overseas is common to all m machinery maoufacturers. ose businesses have always eo strongly export orientated. happily exports are following home market. Poor, disease-crops over the past two sons in the US maize helt have American farmers with little h to spend. This year's har-vests have been better so there are hopes that demand for next spring may improve. A serles of droughts and an unpredictable future if Britain joins EEC, has brought about a near collapse of the formerly prosperous market in Australia.

Theoretically hy now the vast areas of the third world should have heen providing a flourishing market for the machinery men. But great tracts of South East Asia are topographically unsuited to the operation of four-wheeled tractors and large harvesters. Farmers there who can afford a mechanised substitute for a "strong woman" or draught animal need two wheeled walk-behind machines—a situation similar to that which prevails io Japan. While Britain and other European countries do produce this type of unit they haven't displayed the marketing vigour of the Japanese and firms like Honda have captured the major share of the market.

Most of the larger manufac-turers have little interest in pro-ducing the less powerful four-wheeled tractor. In the same time and at little extra cost they could make the same number of larger units if only they could sell them. The result for the customers is that small power is expensive power and it seems absurd to indulge in the luxury of expensive power in areas where the major problem is poverty.

Despite their competitors' pessimism, British Leyland can be praised for at least trying to provide a cheaper tractor. Its 25 hp minitractor (based cleverly on the block for the mini car engine) seems to have an appeal and market in India. It has already brought a five-year con-tract for manufacture in India worth £40-million in component exports from the UK.

Ford, which is far bigger than Leyland in the tractor business, has been trying for years to make a cheap DNT (developing nations tractor). But while a two-wheeled tractor has been pro-duced Ford has not yet claimed It as a success.

Massey Ferguson, world-wide the biggest producer of all, has fought to readjust to the new situation by instituting internal economies, raising prices and drastically reducing its work force and this seems to be taking effect. The company is confident that by the end of 1971 it will achieve some profit to compensate for 1970's massive $19.7 million loss. But there is no promise of more jobs to follow.

During the past few weeks the management at American-owned International Harvester, has also been more optimistic. It has re-instated 70 of its redundant workers in Doncaster to help cope with the demand for its new hydraulic drive tractor.

Most UK manufacturers are envious of Ransomes, Sims and Jefferies, which took the oppor-tunity to reorganise its manufac-turing plant and planned not to build many combines during 1971. Ransomes was able to cope with much reduced orders from stock. To meet the future smaller market, it plans to sell a single, large capacity combine. This could be a wise decision in view of the fact that John Deere the major US tractor manufacturer which has alwaya specialised in large units actually increased its UK sales by 38% this year.

While it is possible to regain profitability by producing fewer larger capacity more expensive units, with a smaller team some manufacturers believe that ulti-mately the lower plant utilisation is bound to be uneconomic and that mergers will be essential. One firm whose continued inde-pendence must ha in doubt, is David Brown. Its managing direc-tor John Boex told me that it expected a very disappointing set of results later this year.

Claas, the German combine giant (which has 25% of the UK market) provides one answer. Abandoning its heavy dependence on combines it has recently amalgamated with Bautz and Speizer, two other agricultural machinery manufacturers, and now offers a wide range of machines including equipment for livestock production and farm building. John Boex feels that this is the way things may have to go in the future. But he recognises that the choice of viable alternative products is limited. He has not got much time to decide. In a normal year Brown relies upon tractors for 36% of its total turnover and 48% of its profit.

Engineers face winter of chaos

BY VINCENT HANNA

LAST THURSDAY Britain's engineering industry was given a stark choice. Either find a new formula for settling labour dis-putes or face a winter of chaos.

Hugh Scanlon, president of the engineering workers union (AUEW) and spokesman for the 16 unions in the industry, served notice, ending the operation of the current disputes procedure which has been in operation for 49 years. No one was very sur-prised, for the employers and unions have been vainly trying to agree a new deal for over three years. Few engineering em-ployers are prepared to predict a settlement before December 15; but all predict chaos in the industry if there isn't one.

At present, disputes are dealt with under the 1922 "York memorandum," which provides for a cumbersome series of con-ferences over every issue ending with a meeting of national officials at York every month. It takes several months to complete and as a result is largely ignored by workers who prefer (in 90% of cases) to take unofficial action. That's why employers badly want a new agreement to replace the 1922 deal.

One can understand why em-ployers are looking gloomy. Last year there were 1,921 stoppages in the industry which produced a loss of 4.5 million working days. But a total of 7,853 "official" disputes were settled under the 1922 procedure in the same period, and what will happen to these cases after the three months' notice expires is any-body's guess.

But there is more in the break-down than meets the eye. Ostensibly the 16 unions were unanimous, their spokesman Hugh Scanlon could not have been clearer: "The talks are deadlocked over 'status quo.'"

But there are serious doubts about that in the minds of some of the other union leaders. There have been a series of splits on the workers' side over both the terms of the agreement and the tactics used to negotiate It. "Status quo" one official said to me, "is just a convenient issue to keep the ranks solid. We don't agree on several points."

Just what is the "status quo?" It has been long accepted by the employers' side that management should not be permitted to change agreed practices without consult-ation with the workers. In February 1969 the Employers Federation (EEF) sent the unions the draft of a new agreement containing a proposal to maintain "status quo" on the factory floor uotil the workers had the oppor-tunity of taking any change in "agreed practices" through procedure. Scanlon had a dif-ferent formula; his proposal placed stress on "established" practices and gave to the shop steward the role of determining what was or was not "est-ablished." A formula was ham-mered out and apparently agreed by the parties by June 1970.

But in September 1970 Scanlon reverted to his original formula and hasn't budged since. Neither have the employers. Now several of the union leaders believe that the Scanlon proposals are pie in the sky. "The employers offer over 'status quo' is about as much as we will get," said one, "and the unions would pro-bably accept it, except for the other issues."

The "other issues" really turn on the question of the dominance of the AUEW and the Transport Workers over the smaller craft unions in the industry. Hugh Scanlon leads the negotiations; he is the sole spokesman and ploughs a lone furrow. On two issues there is little doubt that the employers proposals would benefit his own union, the AUEW, but not the others. One is the proposal to establish works councils in factories, elected by the workers. There is little doubt that such committees would tend to be dominated by the AUEW (easily the largest union in engineering). Small bodies like the Patternmakers, the Vehicle Builders, and the Boilermakers, with strong craft traditions, see themselves being swamped by Scanlon and his members. Even Jack Jones and his mighty Trans-port Workers are not enamoured of the idea. After all, is not Hugh Scanlon currently talking of a merger with the electricians? If that comes about it would pro-dnce a super union of over two million members, to which Jones would have to play second fiddle.

Another issue is the creation in the draft procedure of a Na-tional Industrial Relations Coun-cil (NIRC) for the industry. This council would determine wages and conditions in engineer-ing generally, and act as arbitra-tor of national issuea. Apart from the unfortunate choice of name (NIRC also stands for the dreaded National Industrial Re-lations Court), nobody in their right mind could foresee a union chief like Danny McGarvey plead-ing for a wage claim before Hngh Scanlon or Frank Chapple, how-ever inviting the prospect.

The truth is that "centralised bargaining" is becoming a dirty word in respectable left-wing circles. Both the AUEW and the Transport Workers have a de-clared policy of handing power to the shop floor, and there is no doubt that the new agreement, with its shortened disputes pro-cedure ending at local level, effectively puts union strike funds into the hands of shop stewards rather than union exe-cutive Equally it is well known that the Electricians, the General and Municipal Workers, and the Boilermakers all favour central-ised bargaining. The Pattern-makers may even yet refuse to cancel the 1922 agreement. At least three of the craft union officials regard the entire nego-tiations of the past three years as a power struggle by the AUEW for domination of the industry.

After December 15, there will be no official central method of settling disputes in the engineer-ing industry, and every company will have to invent one very quickly. There is bound to be a clash over the question of mak-ing any new local deals legally binding; there is certain to be a crisis if any company tries to use the Industrial Relations Act to enforce a compulsory procedure on its workers. Above all there will be no monthly point of con-tact between employers and union leaders at York, a semi-social contact which has never-theless settled thousands of dis-putes over the years. It is a grim prospect, for few employers in the industry have either the staff or the expertise to devise their own grievance procedure.

On top of all this, the unions have asked for a 40% wage in-crease on national engineering rates, and the employers have turned it down flat. It looks odds-on a long winter of discontent for Britain's largest industry.

An MSL Consultant has analysed each appointment

Please write or telephone as indicated in each advertisement.
MSL 17 Stratton Street London W1X 6DB: 01-629 1844 (at any time).
Your enquiry will be in confidence.

MSL

Management Consultants in Human Resources
☐ LONDON ☐ BIRMINGHAM
☐ GLASGOW ☐ MANCHESTER

Group Chief Executive
up to £20,000

He will be profit accountable to the board for the entire operation of e British public group of companies of international stature in the light engineering field, with a turnover in excess of £20m. Diversification over the past five years has created the potential for further growth. The man appointed will have demonstrated a successful record as chief executive with complete profit accountability for a substantial company, or a division within a larger company. Probably between 40 and 50 he will desirably have a professional qualification and recent experience in the engineering industry. It is unlikely that those currently earning less than £12,000 will have the experience sought. The appointment carries a basic salary which, with profit sharing and non-contributory pension benefits, can result in a total compensation of around £20,000 per annum. Benefits, including an attractive share incentive scheme and company car, will be appropriate to an appointment of this level. Please communicate in the first instance with T. E. Platt, telephone 01-493 3551. Reference SA.23198.

IR & Personnel Manager — about £5000
Science-based Manufacture
near London

This is a new appointment – currently next in seniority to the Personnel Director – in one of the main divisions of an internationally known, science-based, highly successful British manufacturing group. The division has grown rapidly under young management; and employs several thousand people (nearly a third of them qualified) in an environment of technical innovation, change and progressive unionisation. His primary concern will be the UK manufacturing and research locations where, through experienced unit Personnel Managers, he will be expected to develop positive policies for industrial relations, job enrichment and employee development. Candidates (ideally about 35, university educated and having some background in science) must have had several years' experience of responsible staff and labour relations management in manufacturing companies having a modern approach to the management of human resources. The appointment will provide scope for developing interests across a wider field of personnel management activities. Valuable fringe benefits. Please write or telephone for further information. P. Saunders reference SA.2655.

Inter-Bank Computer Bureau: New appointments

The IBCB carries out a variety of work for the clearing banks and for their customers. Started in 1968, it now uses three 1904 computers for three shifts, and will soon be taking delivery of three more machines for installation in new headquarters at Edgware, where these new appointments will be located. Nearly 200 staff are employed. The bureau is about to become a separate company with its own board of directors. Both these appointments are pensionable and carry five weeks' holiday. Salaries negotiable but probably as indicated.

Company Secretary and Accountant

He will take charge of existing accounting and administrative functions, and be responsible for a new department to control these as well as legal, personnel and purchasing matters Candidates should be professionally qualified and have experience of similar work in an expanding commercial enterprise. Salary about £4,000. Please write briefly stating how each requirement is met to D. R. U. Bennell reference SA.43214.

Planning and Liaison Manager

He will work closely with the Customer Services Managers of the Big Four and other clearing banks to forecast and plan the future work load and rate of growth of the bureau. In addition he will assist the banks to market the services of the bureau to their customers and help to maintain an efficient standard of service and support. Candidates must have experience of DP preferably in a bureau environment. Knowledge of banking and/or marketing useful but not essential. Starting salary negotiable above £3,000. Please write briefly stating how each requirement is met to D. R. U. Bennell reference SA.43215.

Managing Director — at least £5000
Civil Engineering
South East

for a profitable company; turnover approaching £¾m. p.a., with plans to double earnings over two years. The company carries out specialised on-site work for builders and civil engineering contractors using equipment which it manufactures, maintains and operates. Export sales add substantially to income from plant-hire and service operations in the UK. Candidates should be graduates, or equivalent, with a civil, and possibly a mechanical, engineering qualification. Men, possibly 35 or older, with entrepreneurial skills and profit-responsible general management experience relevant to directing both engineering manufacture and a civil engineering-type contracting business will welcome this opportunity to take charge of e growing enterprise. Experience in technical sales or marketing, and involvement in site-work, especially with full commercial responsibility, would be a considerable advantage. Company car, four weeks' holiday, re-location expenses. Please write stating how each requirement is met to Dr. E. A. Davies reference SA.40024.

New Directorships - Industrial Gas Turbine Division

John Brown Engineering, totally divorced from shipbuilding since 1966 and twice Queen's Award winner for export achievement in 1970 and 1971, has increased its sales of industrial gas turbines ten-fold in the past five years to over £20m. per annum. The company is now one of the leading manufacturers of this type of equipment in the world. Both appointments will carry a salary of around £5,000 plus commission scheme, car, pension, life assurance and removal expenses. Please write stating how each requirement is met to W. J. O. Michie quoting the appropriate reference.

Director Designate — Service and Installation

to administer and further develop a department of three profit centres embracing installation – mainly overseas – customer service and spare parts, the latter with an annual turnover exceeding £1m. Candidates must be qualified engineers preferably aged 35 to 45 with at least 5 years' international experience of installation and service management in capital equipment. Reference SA.32185.

Director Designate — Commercial

to manage and build up the existing Contracts Department and introduce a Commercial Section, monitoring the progress of all contracts from signing through to commissioning. Candidates, preferably aged from 35 to 47, must have appropriate professional qualifications and at least five years' relevant management experience in one of the power, process or construction industries. Reference SA.32186.

Commercial Manager — about £4000
Fairey Surveys Limited

The company is a leader in the fields of surveying and mapping, and in the related activities of geophysical and earth resources surveying, with a world wide turnover approaching £1m. Reporting to the Managing Director and leading a team of experienced staff, he will be responsible for relating market requirements and sales projections to the company's resources and capacity, and for planning and implementing the profitable expansion of future business. Age 35 to 50, candidates should have an appropriate degree or professional qualification, but the prime requirement is a demonstrable record of several years' successful commercial and marketing management experience, preferably in either surveying or a related field such as civil engineering, mining, exploration or resources development. Promotion prospects are good. Salary negotiable, car, contributory pension and re-location assistance. Please write or telephone for further information. P. A. Clifton reference SA.2649.

Marketing Manager
negotiable from £3500 — London

for the precision engineering division of a major British light engineering group (current t.o. £70m.). The appointed candidate, probably 30 to 40, will have had (a) a basic training in the principles of marketing; (b) a subsequent progressive career demonstrating identification and profitable exploitation of industrial markets for light engineering products, components, or equipment. Within twelve months, his achievements in this area should enable him to accept additional responsibility for a similar task with products for the domestic market. Salary plus company car, and contributory superannuation. Please write stating how each requirement is met to D. S. A. E. Jessop reference SA.28179.

Administrative Director
at least £5000

for the MANCHESTER BUSINESS SCHOOL which is a Faculty of the University of Manchester and, in its new permanent quarters, has already a teaching and research staff of 85. The appointment carries a comprehensive responsibility, under the Director (Professor W. G. McClelland) and the Council, for the administrative and economic/financial wellbeing of the School; for its representation at important interfaces with other parts of the University, with the world of business, and with the University Grants Committee and other bodies; and for the servicing of the Council and various internal committees. Candidates must have a record of successful administrative experience, possibly in business or public administration at home or overseas or in a civil post after high-level staff experience in one of the Services. Age perhaps within striking distance of 45 – but a much younger business school graduate might also merit consideration. Starting salary is negotiable, with pension arrangements. Please write stating how each requirement is met to Wallace Macmillan reference SA.31044.

Assistant General Manager — £5000
Market Planning
Building Society

A man in his mid-30's is required for this new appointment which is designed to secure further rapid growth of the Society's business: assets, in the 9-figure range, could reach £1,000m. within 2 years. With responsibility to e General Manager the AGM will contribute to the development of long-range marketing objectives concerning savings and investments; identify target markets and develop savings products; recommend to the Board formulated policies for business promotion through publicity and PR and implement them when approved. Advertising appropriation is nearly £½m. annually, covering press and TV advertisements, literature and marketing aids, information and research. Candidates, preferably graduates with an economics or arts degree, must be marketing oriented with proved ability for strategic planning using modern methods, and be highly literate and numerate. Financial product experience would be an asset. Fringe benefits include a car and 5 weeks' holiday. Location London. Please write stating how each requirement is met to K. A. McIntosh reference SA.30148.

Production Director Designate — up to £4500
Light Engineering

This is a new appointment for an expanding company, part of a major UK group, manufacturing specialised sub-assemblies and components for the motor car industry. Turnover exceeds £3m. annually with a mixed labour force in excess of 600 persons. The factory, in the SE area of London, is modern and well equipped. The man appointed will be accountable for all production matters and productive services including labour, in a works producing metal pressings, plastic mouldings, soldered assemblies, motors and sub-assemblies of these components. Candidates must be chartered mechanical or production engineers with a proved record of success in senior management of a comparable engineering works. Success in this post will lead to an early Board appointment. Preferred age range is from 35 to 45 years. Negotiable starting salary, pension, car and assistance with re-location. Please write stating how each requirement is met to P. H. L. Thomas reference SA.11121.

Director & General Manager — about £4000
Heavy Transport — North East

This long established and successful company part of the Tayforth group within the National Freight Corporation employs about 180 and operates approximately 100 vehicles. Although most of its business is in general haulage, the company also specialises in the road movement of particularly long and heavy loads. The General Manager will be wholly accountable to the Group Managing Director for the company's business performance. He must therefore have extensive experience in the road transport industry, a thorough operational knowledge of heavy traffic movement, and a proven ability to manage e business operation in its entirety and improve profitability. He will probably be between 30 and 45. The additional benefits, which include a company car, are of a good standard – and the post also offers clear prospects of further career growth. Re-location assistance. Please write or telephone for further information. C. Beson reference SA.2647.

Principal Psychologist
Civil Service Selection Board

CSSB is located in London and is the main stage in the selection of staff for the top grades of the Home Civil Service and the Diplomatic Service by means of the extended interview procedure. This includes group selection tests, interviews, and e number of specifically psychological tests. Many of the candidates (age range from 20 to about 50) are of a high level of intelligence and achievement.

The Principal Psychologist will be the specialist member of 3-man selection boards to assess a group of 5-6 candidates over 3 days—work which requires prolonged concentration and is very demanding. He will also assist in the training of part-time Assessors and carry out small-scale research, primarily into effectiveness of assessment techniques.

Candidates (men and women aged at least 30—or under 30, if exceptionally well qualified) must be Fellows or Associates of the B.P.S., or have a degree with 1st or 2nd class honours with psychology as a main subject, or an appropriate post-graduate degree or diploma. They should normally have at least 4 years' relevant experience, preferably in operating selection procedures with particular emphasis on interviewing.

Starting salary could be above the minimum of the scale £3425-£4575; non-contributory pension. Promotion prospects to £5795 and above.

Fuller details of this appointment may be obtained by writing to the Civil Service Commission, Alencon Link, Basingstoke, Hants, or telephoning BASINGSTOKE 29222 extension 500 or LONDON 01-839 1696 (24-hour "Ansafone" service) quoting G/7795/SA.
Closing date 6th October 1971.

CIVIL SERVICE DEPARTMENT

OPPORTUNITIES IN

CANADA
FOR ENGINEERS

Canada's principal designer and manufacturer of gas turbine engines has vacancies for experienced engineers in the following fields:

DESIGN ENGINEERS—to prepare fully engineered design layout drawings of turbomachinery components, assemblies and related systems: specialist analytical support will be provided as required.

SENIOR DYNAMICS ENGINEERS—sound experience in vibration analysis is required to perform analysis of critical speeds of rotors, natural frequencies and fatigue life of components, and to specify test requirements and interpret results.

METALLURGICAL ENGINEERS—depending upon experience to assist with or take charge of the materials aspects of specific engine design and development projects.

ADVANCED PERFORMANCE ENGINEERS—in the field of performance analysis and synthesis for advanced small gas turbine propulsion machinery.

AERODYNAMIC DESIGN ENGINEERS—with experience of turbine and compressor design to work on preliminary design studies of new engine concepts.

Airmail complete resume in confidence to:
EMPLOYMENT SUPERVISOR
United Aircraft
OF CANADA LIMITED
P.O. BOX 10, LONGUEUIL,
QUEBEC, CANADA.

Salary will be commensurate with qualifications and experience. A full range of employee benefits will be provided. Excellent schooling and housing facilities available.

P-E Consulting Group Limited
Appointments Division, 12 Grosvenor Place, London SW1

Factory Manager — S.E. Asia c.£4,000

There is an unusually attractive career opportunity for a Factory Manager to join a large British Group with extensive manufacturing and trading interests at home and overseas. Initially he will take charge of a modern factory in either Singapore or Malaysia and will be responsible to the resident Director for all factory activities.
The ideal candidate will be aged between 28 and 35 and a chartered engineer. He will have spent some years in full charge of e manufacturing unit using modern management techniques and exercising responsibility for industrial relations. He will be familiar with light industrial high volume production and experience of life in tropical countries is an advantage.
The initial salary will be about £4,000. Other benefits include home leave on full pay every two years, free passages for families, educational allowances and free housing. There are good opportunities for promotion within the Group.
Please write, in confidence, to R. Varvill (Ref: V/6/3).

SENIOR TUNNEL ENGINEER
UP TO £3,800 p.a.

Mott, Hay and Anderson, consulting engineers, require a senior tunnel engineer with design and site experience to work in the firm's design office in Croydon. This engineer will be responsible for design work on soft ground and soft rock tunnel projects.
For application details contact by letter or telephone:
The Staff Manager,
MOTT HAY & ANDERSON
20/26 Wellesley Rd., Croydon, CR9 2UL.
Tel.: 01-686 5041.

INVERESK RESEARCH INTERNATIONAL
DIRECTOR

Applications are invited for the post of Director of Inveresk Research International. This vacancy will arise on 1st October, 1972, when the present Director, Dr. W. A. P. Black, retires.
Inveresk Research International is an independent British non-profit distributing organisation which undertakes research and development for industry and government bodies on a contract basis. It operates research units at Inveresk Gate, Elphinstone Research Centre and the Heriot-Watt University Research Park, all on the outskirts of Edinburgh. At the present time the emphasis of the work within the organisation is on the following fields: toxicology, pharmacology, biochemistry, organic chemistry, polymer science, microbiology. The post offers a challenge and excellent prospects. The successful applicant should be a science graduate, under 50 years of age, preferably with e higher degree, but also with substantial research and administrative experience. He should be capable of leading and directing a large team of graduate and technical staff.
Salary and fringe benefits are negotiable.
Applications (12 copies) marked "Confidential" should be sent before 1st November, 1971, to the Secretary, Inveresk Research International, Inveresk Gate, Musselburgh, Midlothian, Scotland, from whom further particulars may be obtained.

Operations Manager
For the Retail Grocery trade

Our Client, an expanding and go-ahead Company are looking for an equally go-ahead man to be responsible to the Chief Executive.
The Operations Manager will lead a management team responsible for the Company's chain of self-service foodmarkets and off-licences, warehouse, Prepacking departments and Cooked Foods Division.
The successful candidate will have had considerable experience at a senior level in the retail food trade and the salary and conditions offered will reflect this.
Write, giving details of how you meet these requirements, to:
Mr. A. W. Cooke,
Whites Recruitment Limited,
(Incorporated Practitioners in Advertising)
124 Compton Road,
Wolverhampton,
WV3 9QE.
Stating any firm to whom you do not wish your application to be forwarded.

Whites

Box Number replies should be addressed to THE SUNDAY TIMES, Thomson House, 200, Gray's Inn Road, W.C.1, unless otherwise stated. No original testimonials, references or money should be enclosed.

ASSISTANT TUNNEL ENGINEERS
Up to £2,800 p.a.

Mott Hay and Anderson, consulting engineers require assistant engineers with tunnel design experience to work in the firms design office in Croydon.
These men will be required to assist with design work on soft ground and soft rock tunnel projects.
For application details contact by letter or telephone:
The Staff Manager,
MOTT HAY & ANDERSON
20/26 Wellesley Road, Croydon CR9 2UL.
Tel. 01-686 5041.

---

pcl
The Polytechnic of Central London

Department of Photography
Senior Lecturer in Photography
with special responsibility for part-time courses

Applicants should be well qualified by degree or I.I.P. Final examination. In addition, they should have had experience in the photographic profession, be interested in the philosophy of part-time education and capable of developing the potential of a Part-time Course leading to a qualification in professional photography with two options: Scientific Photography and Commercial Photography.

Salary scale in accordance with Burnham (F.E.) Report: £2,537 – £2,872 per annum plus London Allowance of £118.

Further details and application form, returnable by 30th September, from the Establishment Officer, The Polytechnic of Central London, 309 Regent Street, London, W1R 8AL.

City opportunity for an experienced Engineer

Large firm of London stockbrokers wish to increase their investment research capability in the Engineering sector.
Vacancy exists for an experienced engineer who may have spent ten years or so in industry, ideally including some time in the economic or forward planning departments of one of the larger engineering companies in the U.K.
He would be expected to complement our existing team of investment analysts and in time to assume responsibility for investment policy on shares in the engineering sector.
Preferred age under 45.
Reply Box No. ST2975,
c/o Charles Barker Recruitment Ltd.,
20 Cannon St., London, E.C.4.

PROFESSIONAL REPRESENTATION

German manufacturer of high-quality playground equipment seeks

Representation in the U.K.

Unique advanced design, high safety features, solid international sales record.

Prefer dynamic and experienced sales organisation already working in related areas.

Please write Box AX587.

ENGINEERS continued on page 60

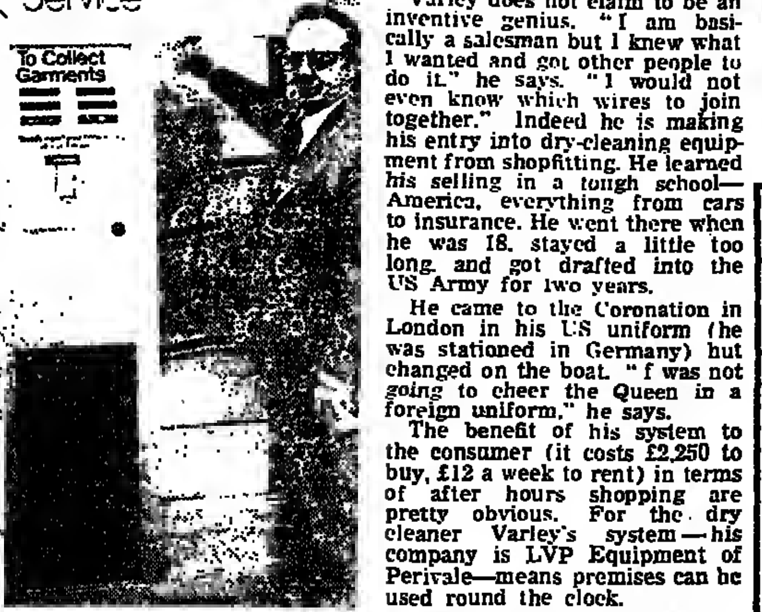
Prufrock

By PHILIP CLARKE

Varley's valet

CLEMENT VARLEY is a walking advertisement for his product. Spruce and crisply suited, he looks like a man who has just collected himself from his own revolutionary Autovalet garment dry cleaning deposit and retrieval system.

All of whicb sounds an awful mouthful but is in fact one of those shatteringly simple ideas you wonder no one has thought of before. It is exciting enough to have attracted tbe backing of the National Research Development Corporation and Technical Development Capital. It was also exciting the attentioo of a whole bunch of worthies from the dry cleaning iodustry at the big International Laundry and Dry Cleaning Trades Exhibition in London last week.



Clement Varley: cleaning np?

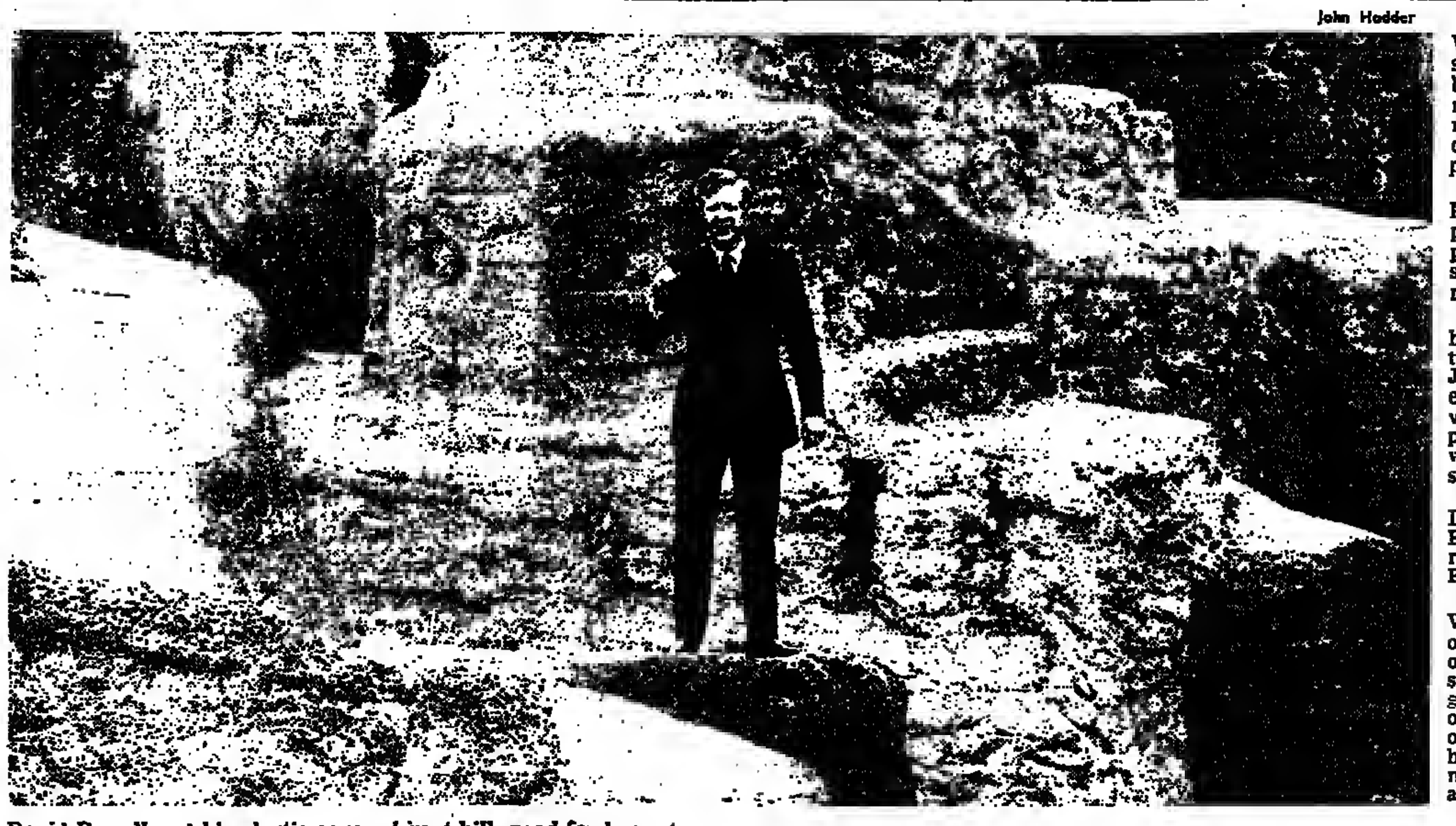
In essence it is an automated way of putting in your best suit, down which you have slobbered a bibful, for cleaning before the shop opens, and out again a few days later, even if you are late hack from the office and the shop is closed. In addition there is all the fun of watching through the plateglass an electronically controlled slave pluck your gear off a rack and deliver it to you personally. Like the launderette it will bring a new visual experience to after hours shopping.

Varley does not claim to be an inventive genius. "I am basically a salesman but I knew what I wanted and got other people to do it," he says. "I would not even know which wires to join together." Indeed he is making his entry into dry-cleaning equipment from shopfitting. He learned his selling in a tough school—America, everything from cars to insurance. He went there when he was 18, stayed a little too long, and got drafted into the US Army for two years.

He came to the Coronation in London in his US uniform (he was stationed in Germany) but changed on the boat. "I was not going to cheer the Queen in a foreign uniform," he says.

The benefit of his system to the consumer (it costs £2,250 to buy, £12 a week to rent) in terms of after hours shopping are pretty obvious. For the dry cleaner Varley's system—his company is LVP Equipment of Perivale—means premises can be used round the clock.

Also that he is winning business at times that he would not otherwise do so, reducing his sbop staff and giving a better service to his customer. And, of course, if the heetroot juice has not come out of that pretty little cocktail dress the customer can shout at the machine, not him.



John Hodder

David Powell and his plastic covered goat hill: good for bears too

WHAT with the news from Dusseldorf and the story of tbe old brown bear, David Powell has been wearing a smile all week. I know he will not mind if I call it plastic, though he does get ratty when he hears hippies deriding our plastic civilisation, especially when they swing their plastic beads while they do so.

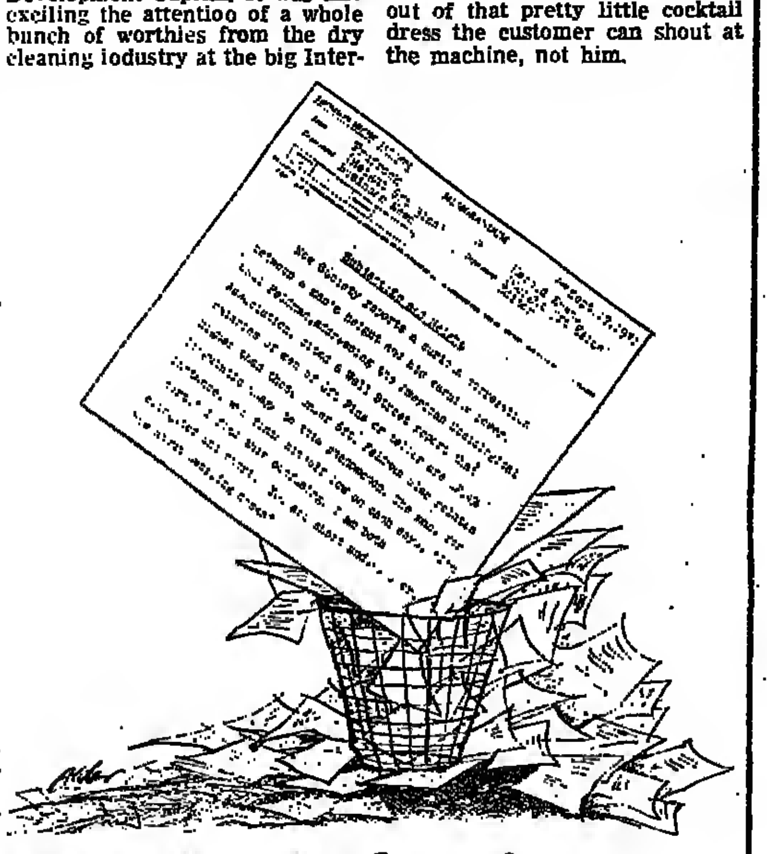
Powell has a beautiful relationship with plastics. He runs a consultancy in Leicester called Polyplan, which specialises solely in the use of plastics in building. After packaging, this is the second largest market for everything from epoxy resins in paints to PVC guttering.

After eight years hard work building his husiness there is now scarcely a major architectural use for plastics on which he isn't consulted. Jobs like Mondial House, the big, new international telephone exchange being huilt in London which will have £500,000-worth of white plastic cladding on its exterior or the mystery of the leaking plastic wine vats in a bonded warehouse. The Customs men were very worried about those. They couldn't believe someone wasn't siphoning off the plonk.

This week his hopes for the future get an extra boost. At the International Plastics Fair at Dusseldorf the chairman of the ICI Plastics Division made encouraging noises about the future high rate of growth of the plastics industry. I wouldn't be surprised if Powell was there making notes in a plastic covered notebook.

It's surprising how full of drama a plastic consultancy can be. When they put a plastic spire on the chapel of the Ashridge College of Management they had to use a helicopter. Perhaps Powell's oddest job has been the Mappin Terraces at London Zoo. He supplied the specification for a sort of animal urine-resistant plastic goo which was both laid and sprayed on the deteriorating concrete of the goat hills and bear pits. When they first let one of the old brown bears hack in his pit with unerring instinct he found a hit which hadn't heen laid properly. He tapped it with his paw, nodded and ripped it up. Bears love a taste of plastic honey now and again.

The endless dole queue page 59



Slow boat of resin

I AM sure my colleagues along the corridor will not mind if I point out that it takes a slow boat from China to keep The Sunday Times Colour Magazine readable. Without the boat and its cargo all the elegant prose and pictures of the Colour Magazine, and other glossy magazines too, would slip and slither all over the page, and eventually melt right through it.

After a four-month journey tbe boat's cargo finishes up at the moorland village of Wardle, near Rochdale. There the men of a company called Cornbrook Resin unload large chunks of an opaque, rock-like substance and attack it with axes, chopping away at this raw resin, bled from the pine trees of China. After treatment it becomes a vital ingredient in top-quality printers' inks, whicb are used for printing on bard, glossy papers. The resin binds the dye together and gives it body.

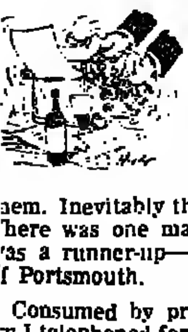
Cornbrook Resin claims the lion's share of the quality end of the ink market and firms like Sun Printers at Watford use its product. Indeed to bind the print to the page for a year of Sunday Times Colour Magazines they need between 300 and 400 tons of the stuff. Prufrock, sad to say, is not printed with such splendid inks and these very words are born of cheaper stuff.

Cornbrook sells 3,000 tons of resin every year. What does not mix witb ink is used to put the stick on to sticking-plasters and body into paint. The firm buys the raw material from China at £150 to £155 a ton. Mao's pines, which are tapped like rubber trees or made into a sort of coniferous mince and distilled, are the world's largest source of resin, with Portugal, America, France and Sweden trailing behind. World resin prices have gone up over 50% in the past two or three years. Tbe problem seems to be the high labour costs of getting the resin out of the forests. Mao scores because there are an awful lot of people in Cbina who can see the resiny wood from the trees—cheaply.

But because China is a long way Cornbrook keeps three months stock in band to offset slow delivery. This keeps this small, sticky firm bubbling away with cauldrons of resin being heated to a ferocious 280 deg C. It is small with 20 employees but it was important enough to bave been taken over by the big Foseco Minsep group eight years ago.

So as you read through tbe Colour Magazine this weekend you might spare a thought for the little band of blokes up in Wardle busy breaking up resin, heating it, treating it, cooling it and smashing it up all again. It is the stuff that magazines are made of.

A man in the typing pool



THE LONDON Chamber of Commerce has just announced the winners of its Britain's Top Secretary Award. There are two of them. Inevitably they are women. There was one man though who was a runner-up—Kenneth Legg of Portsmouth.

Consumed by profound curiosity I telephoned for a quick report of what life is like for A Man in the Typing Pool. Alas, he wasn't a secretary at all, but a lecturer in secretarial practice at a technical college. He certainly didn't know of any men secretaries. Nor did the London Chamber of Commerce.

You could easily spend a week searching for some lucky dog who is privy to the sweet mysteries of such a feminine world. The trouble is men secretaries are animals which everyone seems to have heard about, but which few people have actually seen.

Are there firms which employ men secretaries? Is there an Association of Male Shorthand Typists? Are there women bosses with men secretaries? (Now there's a rich lode for a spot of sociological prospecting.) Eventually Brook Street Bureau conceded it bad some men who were temps and tracked one of them down to the Victoria and Albert Museum in London.

John Darkwah came from Ghana seven years ago. His shorthand speed is 120 words a minute, typing 60 words a minute. "Yes, yes Mr Darkwah, but . . ." He has worked in the Ministry of Economic Affairs, in banks, in the Gulbenkian Foundation. "Mr Darkwah, what I would really like to know . . ." And it has given him a chance to meet some very interesting people. "But Mr Darkwah, WHAT IS IT LIKE FOR A MAN ON HIS OWN IN THE TYPING POOL?"

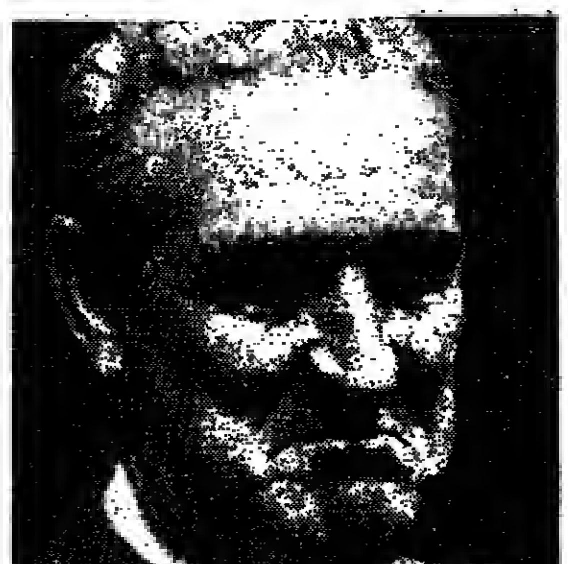
Mr Darkwah said while it was very interesting IT COULD SOMETIMES BE EMBARRASSING.

Aaaah, haaah!

But since at that moment he was standing in the typing pool at the V and A he thought it would not be politic to go into details over the phone. In the interests of truth will readers please consider correspondence on this subject well and truly opened.

When the chips are down, Big John holds all the aces

BY MALCOLM CRAWFORD, Economics Editor



Left, US Treasury Secretary John Connally

THE GROUP OF 10 Ministers meeting, last week brought the finance ministers of Britain, its common market partners, plus Sweden, Canada and Japan, face to face with their American equivalent for the first time since the dollar crisis began. They did not achieve much. But should it have been expected to achieve anything positive?

This may seem a rather complacent view, in a world where transactions are hampered by currency uncertainties, and some types (for example, the Eurobond market) have almost ground to a halt. Yet as one inside official at the meeting put it afterwards, "Ministers are a very blunt instrument for negotiations in this field."

Ministers met to assess the degree of determination with which they held their already-known positions. They were there to test each other's metal, and to judge what positions were "real" and which ones were only for bargaining. Agreement at a Ministers' meeting is only possible where the ground for it has been prepared by senior civil servants.

At the last such preparatory meeting (the deputies' meeting in Paris two weeks ago) what was mainly prepared was an alignment of the nine (the 10 minus the US) against America. This scene was acted out to the full by the Ministers last week. US Treasury Secretary John Connally is a big man; he needs to be just now, for his statements (not least his opening address to the meeting) make him sound like Atlas carrying the world on his back. The rest of the developed world, as he sees it, has done well out of the US for some 25 years, and is now ganging up against it.

Some of the European finance ministers have been closer to international banking than the tall Texan, and Signor Ferrari-Aggradi's sophisticated proposals both for curing the crisis and reforming the system for the longer term, looked like trying to dazzle Connally with clever footwork. Late on Thursday, backed into a corner intellectually but instinctively sure he was right, Connally lost his pleasantly calm demeanour and lectured the nine on the sin of ingratitude.

The essence of the American position, leaving aside some rather dubious fringe demands, is the need for action to correct the huge US payments deficit, in ways that will not distort trade. This is unassailable logically, and does not depend on pleas for gratitude. Every minister present last week at Lancaster House knew that neither the US nor the world monetary system could go on for long with the US in external payments deficit by anything from $5 billion to $23 billion a year.

Connally insists that an improvement of $13 billion is required and that changes in exchange rates (revaluations) of America's 10 or 11 leading trade partners are needed. (This number may not exactly correspond with the Group of Ten.) The Ministers agree on this, essentially, though they regard a swing of $13 billion as too big. It would imply an average revaluation of about 13% to 15%. They also cloak their fundamental concurrence with an argument about procedure: should this happen with or without an increase in the price of gold by the US?

This argument is not about whether the dollar should be devalued. The dollar will be devalued (in any sense that matters to trade and international payments) if other leading currencies are up-valued against it. This would be a dollar devaluation (call it what you like) whatever happened to the price of gold. Likewise the effects on the revaluing countries would be the same, in either case.

On any practical view of the problem, the best procedure would be that which devalues the dollar in the easiest, least inconvenient, way possible. There is a formidable list of difficulties about an increase in the dollar price of gold. Congress would have to legislate; and while it would probably approve in the end, nobody knows what restrictive riders it might attach to the bill; and there is always the possibility that it might delay the bill until the presidential election campaign, at which time anything could happen.

Then there is the problem of future reforms to the monetary system. In the past, these would not have been possible had variations in the official price of gold been a candidate. The US Treasury holds (rightly, I think) that progress on SDRs and other long-term institutional reforms would be impossible if the President, whoever he was, changed the hitherto rigid policy on gold. For if he did, further changes in the price could no longer be credibly excluded; and this would greatly alter the present basis of discussion about the future evolution of the system.

What would be the inconvenience of changing exchange rates without changing the gold price? Certainly not the need for a number of separate decisions on new rates, for these would be needed either way. Not all currency rates need to change—about 90 can retain their present dollar parities, and about 10 leading ones should be revalued. Even among these, there could be no one percentage change—each case requires a separate decision. Given a situation in which (for example) the yen went up 15% (in terms of the dollar and the other 90-odd) the mark 10%, the French franc 5% or 6%, and sterling (despite the Treasury's implied policy of no change) 3% or 4%, what relevance would this have to any particular change in the price of gold? Logically, none whatever.

Ferrari - Aggradi's proposals (which represent a joint Common Market position) contain a suggestion about gold that imparts a semblance of logic to the European demand—but no more than that. The idea here is that the US should raise the price of gold by a percentage calculated (from the currency revaluations) in such a way as to leave the value of world gold reserves unchanged, when expressed in terms of a weighted (somehow) parcel of different currencies. The trouble with this is, first, that the adequacy of gold reserves is not the problem now, and if it became one, arrangements exist via the IMF and the Group of Ten for augmenting them; and secondly, that arguments about problems of the value of gold reserves, following a wave of revaluations, come strangely from countries that were until a few weeks ago worrying (loudly, in some cases) about the effect on their dollar holdings of a rise in the gold price.

European Ministers justify their making the gold price a condition of their co-operation over exchange rates by saying that the Americans, too, must "make a contribution." The question is, what American contribution would do the rest of us any good? Giving a firm date for removing the import surcharge, abandoning the "Buy-American" clause in their new investment allowances, undertaking to stop insisting that other countries limit their exports to the US—all these things would amount to a reasonable a[nd] sensible price for a realignme[nt] of currency rates. In any li[ght] like that, a rise in the gold pri[ce] is the least advantageous o[b]jective for the Nine to aim at. 7% to 10% (the range discusse[d]) it would not even boost o[ur] earnings on gold mining shar[es] since the new official price wou[ld] still be below the market pric[e].

One would like to think th[at] the Nine are being extreme[ly] clever tacticians, putting up [a] "dummy" demand, to pu[sh] the Americans into an aw[k]ward corner, and then relenti[ng] with a preparedness to acc[ept] more sensible objectives, wh[ich] the Americans would then [be] more ready to grant. Unf[or]tunately, this does not appear [to] be the case. Many of the N[ine] really do seem convinced th[at] embarrassing the US Admi[ni]stration over the price of g[old] should be their primary goal. [At] this point economics ceases to [be] relevant, and considerations [of] face-saving and blame-casting ta[ke] over. The Americans, it seem[s,] should be made to do penan[ce] for putting the world to such [a] lot of trouble.

Hopefully, good sense a[nd] enlightened self-interest may s[till] prevail. The Americans [are] likely to abandon, or at le[ast] defer, some of their deman[ds.] "Burden-sharing," which ref[ers] mainly to the cost of Nato, [is] looking more and more like [a] makeweight, as the Americ[ans] still have not clarified th[eir] objectives on this, nor even p[ro]posed how to tackle it proced[ur]ally (no small problem, since [the] Group of 10 is concerned w[ith] finance, not defence, and [its] membership differs considera[bly] from that of Nato).

Progress will not be rap[id.] Even the next round of meetin[gs,] coinciding with the IMF meet[ing] late this month, may take matt[ers] only a little farther. Meanwh[ile] the dangers of retaliation—wh[ich] is hardly distinguishable in pr[ac]tice from compensating inju[red] industries, as the Canadians [are] doing—become greater as ea[ch] week goes by. In that sort [of] contest, the United States, w[ith] its low dependence on int[er]national trade, has all the tacti[cal] advantages.

Is there a fairer way to help the poor?

NOW THAT the Government's new incomes-related pension scheme has been published—see Peter Wilsher on page 16—Keith Joseph and his subordinates at the Ministry of Health and Social Security will surely be taking a wider look at the social benefits system. Many people have felt, in recent years, that it has become so ramshackle and complex as to need a sweeping reform—a consolidation into a sort of Napoleonic code of social security.

The leading idea of this kind under discussion at present is negative income tax (NIT). There are different variants of this, though, broadly speaking, only two main ones. They have, however, in common the feature that NIT would make all cash benefits the mirror image of a graduated income tax. Just as high incomes are scaled down by progressive income tax, while still leaving positive differentials between incomes after tax, so income below the tax threshold would benefit, by greater amounts, the lower the recipient's income. Poverty, under such a scheme, would be relieved in a single systematic way.

Last week a conference involving most of the leading experts on social security was held in London, by the new Institute for Fiscal Studies. In general, the tenor of the analysis of negative income tax schemes was highly critical—especially so of its purer versions.

In fact there was so much criticism that I now believe nothing further will be enacted in this direction in Britain, at least, for several years to come. Not everyone was as scathing as Sir Brandon Rhys Williams, the leading backbench Conservative expert on social security, who described such schemes as "no better than an interesting laboratory experiment." But there was surprisingly little enthusiasm even among its backers—very different from the late 1960s when the idea was newly attracting interest.

I say "nothing further" because the Government has already introduced a variant of NIT called family income supplement (FIS). This is administered entirely apart from the tax system, and is confined to families where at least one adult is in full-time work. As it has only three steps in its payment scale, the progression of net income under FIS is rather wobbly compared with that of a pure NIT, as shown in the chart. This is probably not as important as some people have made it seem, however, as recipients are likely to think in terms of the absolute amounts of benefit, rather than percentage changes.

The chart shows a pure NIT scheme in all its elegance. Line ABC represents income before tax and before NIT. Line FBE shows income after tax and NIT, and BD is the tax threshold. This line marks off those who receive from those who pay. It will be farther to the right (at a higher level of earnings) for families with children, because tax allowances for children raise the tax threshold. For these families, therefore, the child tax allowance would not only mean lower tax payments, as they do now, they would also mean higher benefits for family below the tax threshhold—the area ABF would be larger for families than for tha childless.

Not only is NIT elegant and smooth—it is also automatically selective. This accounts for much of its appeal a few years ago. Recipients of benefit do not pay tax, and tax payers do not receive benefit. Some have claimed that it makes selectivity impersonal and without stigma, because it would all work through the tax system. But the administrative feasibility of paying benefits in this way would be limited to a relatively small number of potential beneficiaries.

FIS has much the same effect, within its particular confines, even though it is administered as part of the supplementary benefit system. It has, however, not been thought possible to allow a maximum payment greater than £4 a week. This is because the objective is to keep income scales fundamentally unchanged so as not to distort incentives so the gradation of benefits cannot be higher than the mirror image of a 50% marginal rate of tax. FIS is sometimes higher than that, sometimes lower, at the margin; but the essential point remains true that benefits scaled in this way can never be more than a half-way step to dealing with real poverty.

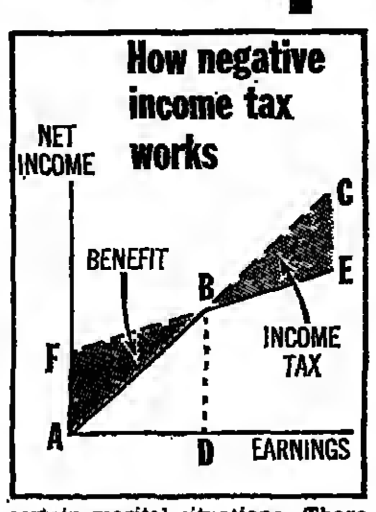
What FIS does do is to reject the argument that supplementary benefits (what used to be called National Assistance) are an inducement to idleness. People with no skills sometimes get jobs which do not pay as much as the supplementary benefits; so there is no incentive to work. Now such a family can have its income made up to the supplementary benefit level. There is no such provision for childless people—perhaps the trade-off between work and idleness in their case is considered of no concern. There seems to be a gap in the logic here, but it does favour the taxpayer. There are relatively few families with children on such low incomes; but many single people and childless couples. The estimated cost FIS is £3 million for the eight months August 1970 to March 1971.

If a negative income tax were added to an existing benefit system, the line of income progression would become even more distorted. To cite an example from an excellent paper given by David Piachaud of the London School of Economics, a man earning £12 a week would get (including benefits) £1 a week more than a man earning £19 a week, if a 50% marginal rate of NIT was added to our present arrangements. Imposing NIT on top of other benefits is out of the questions, Piachaud concludes.

Substituting NIT for existing benefits raises several problems. First there is administration. It depends on how sweeping one wants such a substitution to be, but if comprehensive, it would mean bringing an additional 5 million people into the income tax system. The Inland Revenue is already under strain because the number of people subject to tax has increased enormously in recent years.

Also, the problems of supervising benefit payments are different from those of collecting tax. This is an especially strong point in the case of emergency benefits: supplementary benefits fill this role, however much criticised the officials who allocate them sometimes are, but it is hard to see how the Inland Revenue could do this job at all.

Also, existing schemes have some unique social features. Family allowances are paid to the mother, thus providing her with a degree of security in un-



certain marital situations. There are also some advantages, for people with no reserves, in the timing of payments under present benefit schemes.

Moreover, in the case of contributory benefits, we would need to have a good hard think before abandoning the contributory system—which NIT would involve doing if used in place of pensions or unemployment benefit. The link between contributions and benefits is getting looser, especially with the new penson scheme, but it is still there, and most people seem to consider it important.

What about using NIT to top up existing benefits, instead of raising the rates of the latter? Administratively, while some existing benefits are somewhat expensive, raising their rates adds nothing to administrative co[sts] whereas NIT would be v[ery] costly. Moreover, Piachaud [has] calculated that if tax allowan[ces] were increased and NIT int[ro]duced, in amounts which toget[her] would equal an alternative [in]crease in family allowan[ces] (under existing arrangements [by] "clawing" these back from t[ax] paying families), the over[all] effect would be the same b[oth] for the Exchequer and for inco[me] distribution.

Arguments that can still [be] adduced for NIT, and whi[ch] analyses of the latter kind te[nd] to ignore, are those based on t[he] non-rational behaviour of t[he] public. Piachaud's argument [as]sumes that existing cash bene[fits] will continue to bear the sa[me] relationship to incomes. Ma[ny] politicians hold that it is [ex]tremely difficult to persuade t[he] public that it is good thing [to] increase non-contributory ca[sh] benefits. There is no sign of t[he] present Government raisi[ng] family allowances. NIT is, ho[w]ever, income related, provid[ed] the Government raises the t[ax] threshhold from time to tim[e,] which for some reason does n[ot] seem to be politically diffic[ult.] Moreover, cash benefits count [as] Government expenditu[re] whereas benefits under N[IT] could be disguised as tax allo[w]ances. Here, too, there [is a] political distinction that is n[ot] rational. One can only hope th[at] considerations of this kind w[ill] become increasingly trivial [in] future.

Malcolm Crawfo[rd]

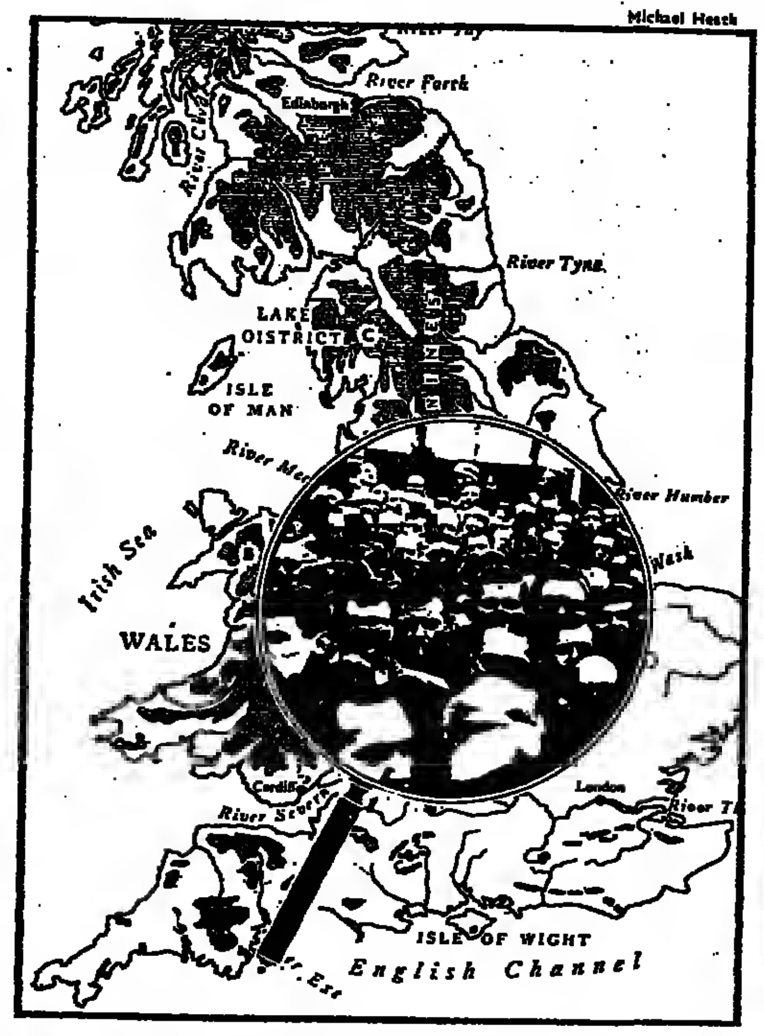
General Appointments ● General Appointments

مكذا من الاجل

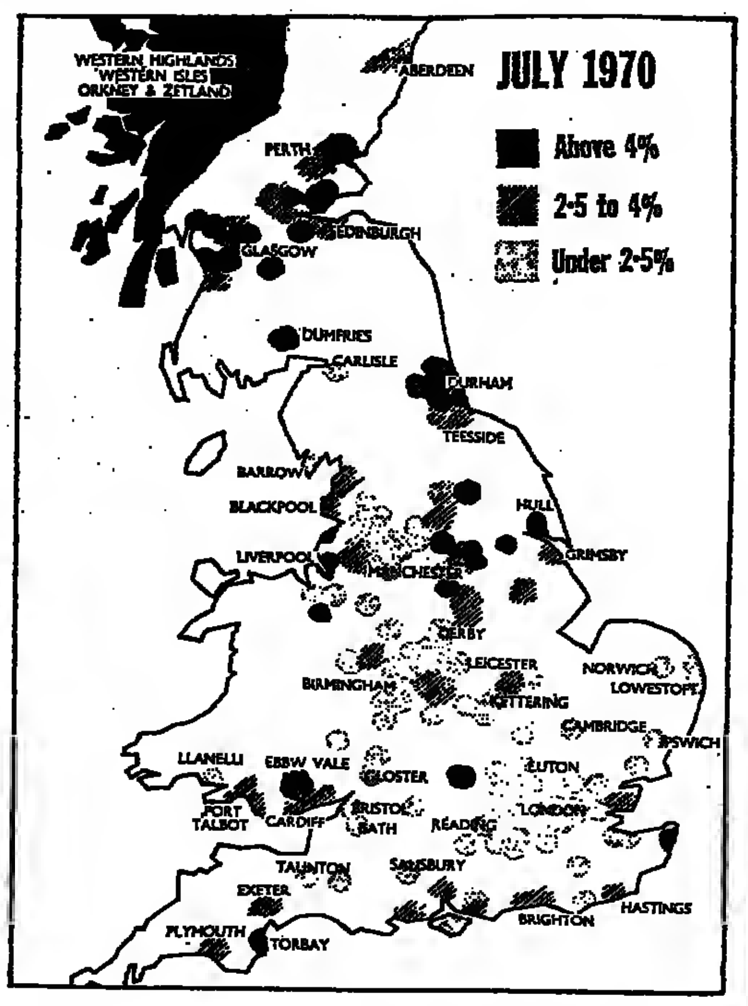
The endless dole queue

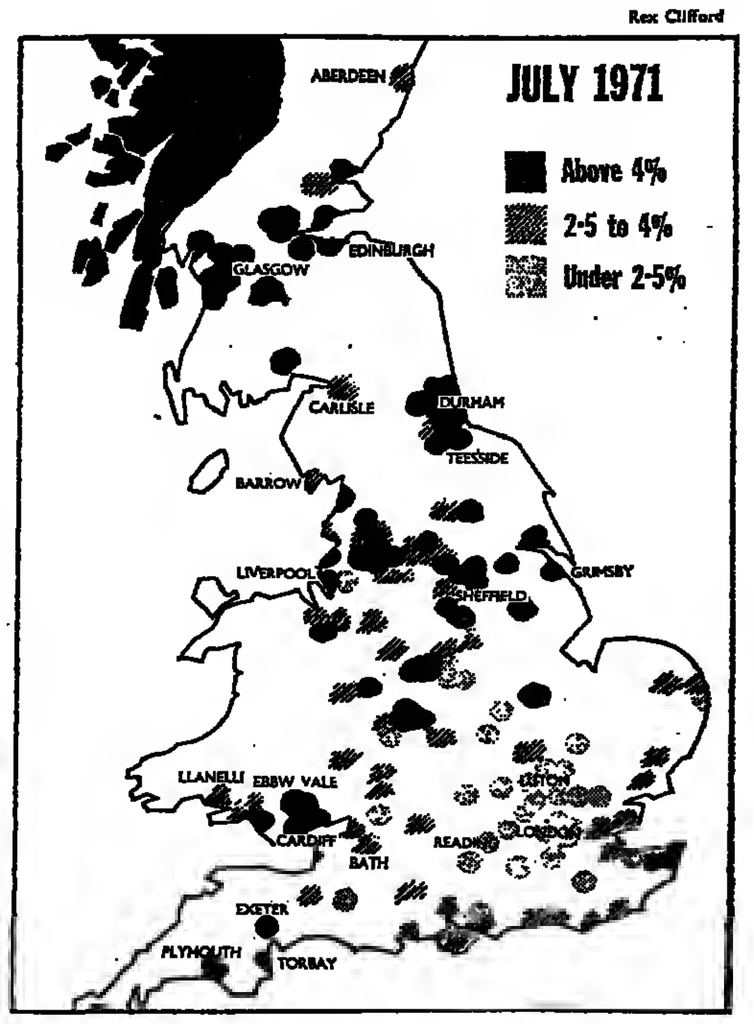
'hough the number of people unable to find a ob will hit the million mark this winter, the iovernment is undismayed, still sure that an nprovement will follow next year. But ICHOLAS FAITH has been piecing together the vidence, and his findings are more disturbing.

Michael Heath



Rex Clifford





'HEN THE unemployment gures hit the million mark iis winter, it will come as no irprise. But a nasty shock ıuld well he in store next ear. The natural official sumption that the massive flationary measures of this ear's two hudgets will inevitıly produce, first a halt some ne during the winter to the se in the rate of unemployent, and then an accelerating ecline in the rate, gathering ıce in the second half of next ar as investment picks up, uld he wildly wrong. A tailed examination of the any pieces of evidence availıle shows that the present ımp is different in too many ıys from the post-war norm r historic experience to be lid. Something near the esent unemployment situion could be with us for a : longer than anyone ıagines.

The official scenario looks ck to the aftermath of the astly winter of 1962-63 when employment was almost as gh as it is now and vacancies r people, the other key licator, were actually lower. took only a year of growth to ınsform the situation cometely. Firms which had solved not to take on more ɔour did so; in engineering, : key sector, unemployment lved and vacancies doubled a year—and the trends kept heing favourable for ırkers till the great freeze of 56.

Whitehall argues that buman ture has not cbanged: that e very same firms wbo ore then to rely on tbeir isting work force only to re fast and soon once the akes came off will behave e same way next year. ficial economists will go on admit tbat the rate of ecomic growth needed to proce any real drop in employment may now be r 3%, more tban it was 10 ırs ago, hut that more than s rate will he reached hin the next year. They l add other undeniably ourable factors: that the ative Investment hoom of late 1960s has not comısated for decades of neglect our capital stock, so that ductivity cannot rise very ch more than in previous ıms; that the content of the ıing boom will he in generlabour-intensive sectors house-building, exports consumer goods, with the 0-million hoost for minor jects in development areas winter providing the first stimulant and that a lot of the shakeout in 1966-67 was in industries suhject to the Selective Employment Tax, now being wound down.

Outside economists are a lot cooler: the latest report of the National Institute for Economic and Social Research sees a halt this winter to the increase in the (seasonally adjusted) rate of unemployment and looks vaguely forward to an improvement with an investent boom and our 1973 entry into the Common Market. But it finds it "difficult to foresee any significant downward movement, and that hefore allowing for special effects associated with redundancies at Upper Clyde Shipyards." And this hesitancy is shared hy Professor Jim Ball, whose quarterly reports for The Sunday Times Business News have been notably more accurate—and thus more pessimistic—than official forecasts.

What the economic forecasters inevitahly ignore is any detailed look at the structure of the present unemployed lahour force, and the crucial relationship between the numhers of johs available for adult males and the numbers out of work. Puhlicity for the monthly figures concentrate on those whicb lump together women and girls, young men and old. Even tbese show that the gap had widened dramatically in the last year with five adults out of work for every job available. But out of those very nearly half the vacancies were for women workers, wbo form only a third of the working population. Tbe anti-male trend bas worsened in the last year—and even for women the vacancies are now beavily concentrated in a few jobs — nursing, secretarial, clothing, and the ill-paid and highly seasonal hotel and catering husinesses.

For men, the most dramatically depressing figures are for lahourers: 295,000 out of work, just 8,500 vacancies. But the latest figures portray a far more general depression than ever before in the post-war period.

The most staggering symhol of the sea-change is provided by Coventry, the normal code word for a boom town, which now has unemployment well ahove the national average and into the over 4% hracket formerly associated with depressed mining areas.

Coventry is a special case. But the maps show how the geographical halance has changed. Before the panic measures of July, 1966 there was, generally, as little unemployment in the Midlands as in the South East of the country. The pjcture got blacker as you moved north from the famous line drawn from Bristol to the Waah. The great shakeout of 1966-67 simply shifted the hasic levels of unemployment a hit higher; afterwards the Midlands tended to be a little above, rather than below, the London level. All that has now changed. In a second surge the whole of England outside the South East is now, by historic standards, a depressed area; the hlack is enveloping London from all sides. Unemployment rates have risen far faster in the formerly prosperous Midlands than in the ever-depressed North. And in Wales even Llanelly and Swansea have less unemployment than Birmingbam or Coventry.

Industrially, the same pattern applies. Whereas the great shakeout in the early and mid 1960s was concentrated in coal mining, railways and textiles, now the shakeout—in terms of unemployment, short time, lack of jobs, number of people in employment and, crucially, job prospects over the foreseeable future—is general.

The evidence is endless: in the massive engineering sector where in June 1970 there were nearly as many jobs available for skilled men as there were unemployed; by June, 1971, unemployment had gone up to 52,000 and johs availahle had halved to under 14,000. Among skilled electrical workers unemployment has risen from 7,000 to 10,700 and johs available have slumped from 3,500 to 2,100. In the much smaller sector of foundrymen and rolling mill workers, where last year there were more johs than unemployed, this year there are five men to each joh. Only in one sector has there been no real shakeout. The Government continues to employ the same number of people—and a large proportion of them are in London.

If the present Government were to follow the example of the previous administration and get out of the high-wage, astronomical-rent London area, then even London could be in for a shock. There is no bounce left anywbere to take up redundant workera. For more startling even than the contrast between unemployed and vacancies—and more serious in a reflationary situation—is the long-term change taking place in the numhers actually employed in different industries.

Service shake-out

During the 1960s, by and large, the service sectors increased considerably in numbers, while tbere was relative stability in most manufacturing sectors. This, again, is now changing for the worse. The whole sprawl of services from nursing to teaching to banking which took on a million more workers in the 1960s, is now probably stagnant (the 1971 figures are not yet available) —even banks are now talking of cutting staffs; as well as the well-pnblicised 20,000 allegedly redundant executives there are 10 times as many clerks out of work as there are jobs available. There is a distinct fall in the numhers employed in most manufacturing activities, completely against the trend of the last decade. Whereas formerly depressed areas like mining and even shiphuilding are holding their own there bas been a fall in the past year in the numbers actually employed over virtually the whole range of electrical (all those computer men ont of jobs) and ordinary engineering, vehicle manufacture, food, drink and tohacco, paper and printing—even in the fast-growing, but capital-intensive chemical industry. As a measure of lower activity, the numher of adults placed hy the much-abused but efficient employment exchanges went down hy 10% in the last year.

The situation is hleak enough now but it is prohably by no means at its bottom yet. Apart from the usual 50,000 rise in unemployment in the winter, many redundancies already announced (not just in engineering, but in paper and steel as well) have not yet come through into the figures. And there are more to come. In an exceptionally gloomy document circulated privately last week the Engineering Employers Federation warned that "employment in engineering may be cut back from its present level by as much as 85,000 hy the end of 1971."

The EEF also spells out why its members, typical of all employers, bave been so brutal recently. Lack of profits, lack of orders, inflationary wages, simple lack of cash to pay the bills, all have contributed. But to the EEF, as to everyone you meet in British industry, you come back to the underlying discovery, which economists have known for years, that the British economy was a low-wage, low-productivity affair; inevitably when production went down at a time of soaring wages, a long-delayed sort ont was inevitable—the more brutal because it was so belated. To the EEF this means that "we are moving towards a high-wage, high-lahour cost economy, doing what the Americans did 40 or 50 years ago." By far the most important reason why the EEF members have made the few capital investments they have is to save lahour, and the EEF thinks that "many of the johs lost now are gone for ever."

Only in one industry—construction—will the present boost inevitably give rise to a massive surge in hirings, for there growth ia bound in the next year to he far faster than productivity. Elsewhere a combination of factors will ensure that the turnround will he far slower than in previous hooms—and any turnround at all presupposes that the boom will continue to rip uncbecked through the whole of 1972 to give investment a chance to shine. Then the douhle hoost of entry into the Common Market, and the raising of the sehool-leaving age in 1972-73, could, possibly, turn the tide.

But any optimist has to face the following factors, superimposed on the depth of the current slump in employment, the change in the long-term trends, the knowledge among employers that, far into the foreseeable future, there will he none of the mad scramble for qualified men which has characterised all previous post-war booms.

- The present labour force is only partially employed. Only 30% of the work force is on overtime; sbort time has doubled in the last year—and is still increasing. The slack to be taken up by the existing work force is therefore considerable; given the low rise in British productivity in the past decade, the slack is probahly more than anyone bas so far guessed.
- Employers are growing steadily more pessimistic in estimating their demands for lahour. The regular surveys conducted hy Taylor Nelson for the Financial Times among leading British-owned companies sbow a steady downturn over the past two years in the proportion thinking they will need more workers over the next 12 months. The latest figures—taken after the July Budget—still show that more employers expect to cut down the numhers they employ than to increase them.
- The employment climate bas changed. As the EEF puts it, "people who depended on bordes of cbeap labour are out of business." And the survivors are managed hy men who do not remember the slump, who, what with wage-related unemployment benefit and all, do not feel guilty wben they bave to sack people—and equally, unlike their predecessors, do not think that actually employing people is part of their duty.
- There is a hard core of unemployed older men. In July 1970 nearly half the 242,000 men over 40 out of work had been out for more than 26 weeks—i.e. until after their wage-related henefits had expired. This proportion has probably not changed mnch, but until the men involved have actually reached pensionable age, the unskilled among them are likely to he a lump of virtually unemployables. One reason why unemployment in the Durham coalfield has not risen in the past year (apart from the relative stability in coal mining) has heen that miners declared redundant a decade or more ago, and only intermittently in employment since, have now retired.

This pattern seems likely to be repeated in the rest of the country; jobs down permanently; unemployment, short-term, long-term, men and hoys, up. Fundamentally, the drift between the work force available and the economy's likely needs has gone so far that it would take more than one or two years of fast growth to fill the resulting gap; and there is every likelihood that employers will prefer to fill the gap with machinery, not men. And, given the high import content of investment capital (up to 40%), even this won't help the unemployed.

NEXT WEEK: The blizzard on the Clyde

When the boom stopped in Coventry...

THEY'RE SAVING more than ever hefore in Coventry—and the money is going into reliahle savings bonds and trustee savings hanks. They're not spending money on consumer durables in Coventry; according to Jim Mariner of Owen Owen, the city's hest and largest store, they're bnying new chair covers rather than new chairs. In contrast with the rest of the group's stores, even those in the depressed North-West. Coventry has not responded to the Chancellor's July measures.

The figures explain some of the apprehension expressed in these economic straws in the wind. Until early last year Coventry had had 40 years below tbe national average of unemployment. Now—even excluding those temporarily stopped—the rate, at 4.2%, is above the national average. For the first time sinee the war the employment exchange can claim that it "has on its hooks as good a work force as you could find in many factories in tbe town."

The traumatic results of tbis gradually worsening situation have yet to sink in. "The heat has gone out of unemployment" claims one local unionist; another despairs of ever getting the truth home to tbe younger generation. "How do you explain to tbe man in work that his turn to he sacked may be next?" And the downturn in machine tools makes even the traditional apostles of nationalisation admit that "at the present rate there won't be anything to nationalise, come the revolution."

The most extraordinary part of the great Coventry slump of 1971 is its suddenness—male unemployment bas more than doubled in 18 months—and the way it has crept up almost unnoticed. In fact under 5,000 men have been declared redundant in all. This is far fewer than the 6,500 wbo left when Hawker Siddeley closed its Baginton factory six years ago; after that closure there were cries of gloom—and the workers slipped away into myriad other johs.

Thia year there have heen no redundancies in the three hig car plants—Jaguar, Standard Triumph (still known hy its old name as "the Standard") and Chrysler—or at the town'a biggest employer. This, surprisingly, is a giant GEC plant employing 15,000, largely women on telecommunications. In fact, the higgest single closure has been of a factory in the almost-bankrupt Lines group making push-chairs — not a traditional Coventry product. The redundancies have generally been more discreet; apart from three major onea at the Herbert-BSA factories "natural wastage" and a few small local prunings have trimmed 10% or more off payrolls as diverse as Dunlop's wheel factory, Courtaulds' plant at Spondon and a bost of the small machine tool firms which are the engineering heart of Coventry, though not their biggest employers (in fact only 10% of the town's workforce is in machine tools. Tbese smaller firms have now, as one local puts it, "Jumped on the band-wagon of redundancies": bnt the original impetus for the ripple of smaller sackings was the Rolls-Royce collapse. Many of them had "tied 80% of their production to the gilt-edged security of a Rolls-Royce contract," and the results were traumatic.

In the apparent absence of any sort of growth points, there has been a complete revolution in the traditional post-war halance of industrial power in the town. Until this year this was expressed in the famons 30-year-old Coventry tool room agreement, which ensured that skilled men got a wage related to the high earninga available in the vehicle factories to production workers on piecework. This year the employers, faced with successive increases of 10d, 1a 4d and 2s in the hourly rates guaranteed under the agreement, realised they just could not afford to continue the scheme.

So Coventry is now racked with one-day strikes from toolmakers trying to stop the break up of the agreement. Some of the hloodier-minded employers (though notahly not the famously modern-minded local Employers Association) are acting ruthlessly about wage claims. Unions are being given ultitimata to accept low wage rates, set by management without real consultation, well below £1 an hour for skilled men. Other employers are not following the old paternal pattern and are keeping compensation, even to men with long service, down to the national minimum.

Clearly there are more redundancies to come. The unions expect some even at Standard Triumph and there is a general air of despondency among the union leaders. For they rememher the past. They speak with the accents of Tyneside or Scotland, areas they left in the depressed 1930s for the golden Midlands. They know that the still-superficially hright façade presented by Coventry today — the holidays abroad, the restaurants full of wine-drinking, steak-eating workers—is not impregnahle. And, judging hy those savings figures, their members are beginning to learn as well.

How to manage in Europe

WHETHER BRITAIN should go into Europe is a question on which British *businessmen*, no less than any other group, are far from achieving unanimity. But for the realistic businessman, the issue of Britain's entry into the Common Market will be secondary to factors which should be faced at once: that Europe as a competitive force has never been stronger, and its potential for further growth has never been greater; and that the impact of European competition on the traditional British home market is likely to increase, whether or not Britain joins the Six.

Enlightened managements are already viewing these factors as they do others likely to influence the *conduct* of their *businesses* and the success of their operations. Britain is, of course, not without experience in Europe. Many British companies have gone into Europe in past years and the Community is, currently, our largest single export market. Bnt it is equally evident that many companies, particularly the smaller ones, *have no ambitions* abont Europe and believa it cannot affect them.

And that is what John imThurn calls "dangerous thinking." As head of the international department of the British Institute of Management, he is off soon on a series of harnstorming tours of Britain to make sure that British managers are aware of the *full* implications of Europe's growing economic might. He is particularly keen to encourage the heads of small companies to visit Europe themselves, if only to get a few surface impressions and *take the temperature of* the water. But, more than anything else, he wants to influence British managers into becoming more international-minded and to emhark on a programme of self-education that will enable them *to cope* better with Europe's growing challenge.

There will always be managers *who refuse* to come to *terms with* facts and who prefer to isolate themselves hehind a protective harrier of hlissful ignorance. Little can be done for them. But others should take advantage of a number of programmes planned hy the BIM for managers who want to know how and where they will fit into the European context. The first is a set of four "Euro Booklets" (Management Checklist; Background Facts and Figures; Rome Treaty and EEC White *Paper* — Extracts; and Sources of Information). These will he available later this month at £1.50 the *set* with reductions for larger orders. The booklets offer the key background facts about the EEC—ohjectives, policies and structure—and give concise and practical help on the kind of questions that managers should now he asking. Orders should be addressed to Publications Supplies, Management *House*, Parker Street, London WC2B 5PT.

GET AHEAD

THOMAS HICKMAN

A study of these booklets would prepare the manager well for a series of Window on Europe seminars the BIM is planning to hold between Octoher and January, aimed at top management. At the seminars, *lesding* European experts will review the conditions under which British companies can be expected to operate if Britain enters the Common Market.

The *first* seminar of four, on October 19, is devoted to The Work Force in Europe—Management and Labour. This will help a company decide how, when and where it should approach new market opportunities in Europe and to understand the conditions under which the competition is operating. The second, on November 10-11, is to be conducted by the BIM jointly with the Law Society and will deal with legal problems and practice. The third, on December 2, entitled "Money in Europe—Policy Planning and Practice," is a logical continuation of the second and will deal with the problems of finance.

On January 20, the final conference, on Trading in Europe—the Operational Scene, will he useful whether Britain enters the Common Market or *not*. It will deal with such Market questions as the rule of competition, specifications, licensing and patents, and with all that goes on in Europe that can affect operations here.

In the meantime, BIM's John imThurn has these tips for the British manager with an eye on Europe:

● Acquaint yourself with potential European competition and learn how it could affect your market here, and under what constraints that competition will operate.

● If planning new or expanded markets in Europe, lodge responsibility for that high-up in the company and, as top man, become very involved yourself initially.

● Before appointing a specialist remember that experience with your product could he more important than experience with a European country. It could be easier for someone in your company to learn the new market than to teach your business to a newcomer.

● If you appoint an overseas agent, visit him regularly and ensure that he hasn't too many other agencies to handle yours well. Don't forget the many excellent British export houses who can handle this service for you.

● Don't try to think of Europe as a single market. Individual countries are still separate markets and should he treated as such.

Helpful information can be obtained from a number of sources. The BIM has seven staff managers in regional headquarters in London, Glasgow, Belfast, Leeds, Manchester, Birmingham and Bath.

Banks are a logical source of help and many have publishe literature on Common Market implications. An excellent one is Lloyds' What About Europe Now?

Trade and professional associations should he keeping themselves informed on what Europe means to you. Chambers of Commerce, including the European department of the London Chamber of Commerce, ought to he useful. Much literature and other information can he obtained from the Department of Trade and Industry and the consulates in Britain of the respective European countries. And there is an EEC Information Office at 23 Chesham Street, London, SW1.

Finally, when planning to visit European countries, don't forget to arrange in advance to use the facilities of British consulates there.

مكتبة الأسد

EAL owen owen

ASSISTANT BUYERS

Owen Owen, the expanding department store Group with 13 UK stores, is based in Liverpool and has branches in the Midlands, the South and Canada. They seek young men and women as assistant buyers. Generous salaries will be negotiated, and future prospects are excellent through a planned progression programme.

Successful candidates will be leaders not followers of trends. Ideally with retail store backgrounds they will have ambition tempered by judgement combined with strong personalities. Market knowledge and an ability to work to clearly defined profit objectives are essential. Preferred age 20-26. Locations Liverpool and London (DO.755)

Please write briefly and in confidence to the Managing Director, Executive Appointments Limited, 78 Wigmore Street, London W.1. quoting reference. No identities divulged without permission.

EAL

SALES DIRECTOR £5000

A British engineering company of international reputation, with a multi-million £ turnover in the durable consumable field, seeks a Sales Director to take complete responsibility for the sales function and to execute a planned re-organisation to meet a changing market. Location Midlands.

Candidates will have an engineering background and successful experience of leading a large sales force in a technical product field. Their initiative and drive will match their administrative and planning abilities. Preferred age 35-45. Salary negotiable around £5000 plus car and pension. (TH.937)

Please write briefly and in confidence to the Managing Director, Executive Appointments Limited, 78 Wigmore Street, London W.1. quoting reference. No identities divulged without permission.

EAL

HEAD OF OPERATIONAL RESEARCH Up to £4000

A leading merchant bank requires a man or woman to head up their small but growing OR group. He must have managerial experience and may now be deputy OR Manager of a larger group. Preferred age over 28.

The successful candidate will have a degree in a numerate discipline plus a minimum of 3 or 4 years practical OR experience. A background in financial accounting or banking is desirable but not essential. Location London. (DH.846)

Please write briefly and in confidence to the Managing Director, Executive Appointments Limited, 78 Wigmore Street, London W.1. quoting reference. No identities divulged without permission.

SCIENCE RESEARCH COUNCIL
THE RUTHERFORD LABORATORY
Chilton, Didcot, Berkshire

PROGRAMMERS

The Computer Applications Group has two vacancies for programmers in the Scientific Officer class. The Group is concerned with the development of programming systems for automatic analysis of data from high energy physics experiments, and with general on-line exploitation of the central computer facilities. The main Laboratory computer is an IBM system/360 model 75, to be replaced by a model 195 at the end of 1971. Several satellite computers, connected to the central computer, are used for controlling automatic film measuring machines, display devices and other types of terminals.

Candidates should have several years' experience of large scale computing. One successful applicant will work initially on spark chamber data reduction, and previous experience in any similar field of data analysis would be an advantage.

The Laboratory is situated on the Berkshire Downs about 15 miles south of Oxford. Its main sources of experimental data are its own GeV proton synchrotron Nimrod and the 28 GeV at CERN, Geneva. Research teams from many universities use the Laboratory to carry out research in the physics of fundamental particles.

Qualifications:
Candidates should possess a good honours degree.

Salary:
SCIENTIFIC OFFICER £1,245-£2,125.
SENIOR SCIENTIFIC OFFICER £2,350-£2,895.

These scales are currently under review. Starting salaries within these limits will be determined by age and experience. There is a contributory superannuation scheme.

Please write for an application form to Mr. B. Nichols, Rutherford Laboratory, Chilton, Didcot, Berkshire. (Tel.: Abingdon 1900, extn. .0.) Quote reference 203/226. Closing date h October. 1971.

OXFORD MEDICAL COMPUTER CENTRE

CHIEF PROGRAMMER	£2,589-£3,540
SENIOR SYSTEMS DESIGNER	£2,430-£3,387
SYSTEMS DESIGNERS	£1,911-£2,559

THE CENTRE is undertaking a major experiment in the use of computers in the Health Services. Following acceptance of a study setting out several years development work in real-time and remote batch processing, the team is being expanded.

THE CHIEF PROGRAMMER will have full programming responsibility for the eventual system. Experience with complex file structures preferably in a real-time environment is essential and experience in managing teams of programmers will be an advantage.

THE SYSTEMS DESIGN POSTS demand considerable skill in problem definition and system implementation.

OXFORD OFFERS many amenities, especially for those with cultural interests. The City and nearby villages provide a wide range of attractive surroundings in which to live.

WRITE FOR DETAILS and application form to the Secretary, OXFORD REGIONAL HOSPITAL BOARD, Old Road, Headington, Oxford. OX3 7LF. Return form by 30 September. Quote V67/71.

Overseas Legal Appointments

The following appointments provide opportunities for travel and overseas experience and, at the same time, make a contribution towards the requirements of the developing countries overseas. Applicants must be qualified Barristers or Solicitors of the United Kingdom or Republic of Ireland with a minimum of three years' professional experience since Call or Admission. The emoluments shown are based on basic salary scales and allowances. Terms of service usually include free family passages, paid leave, education grants and free or subsidised accommodation. A terminal gratuity, usually of 25% or, where stated, a tax free overseas allowance is payable and appointments are on contract for an initial period of 2-3 years. Applicants should normally be citizens of, and permanently resident in, the United Kingdom.

ANGUILLA
Resident Magistrate
£4,160-5,300

To supervise the judicial system of an island of 6,000 Inhabitants. To act as magistrate and registrar of the High Court and possibly to give legal advice to H.M. Commissioner. Emoluments quoted above include a variable tax free overseas allowance of £410-1,050 p.a.

BOTSWANA
Legal Draftsman
£3,705

To undertake the drafting of principal and subsidiary legislation and related duties, including editorship of the Government Gazette and annual volumes of statute law. Experience in legislative drafting is desirable.

FIJI
Senior Legal Draftsman
£2,644-3,560

Drafting legislation and rendering advice to Ministries and Departments of Government on questions arising out of drafting and interpretation of legislation.

MALAWI
State Counsel
£2,455-3,108

To conduct criminal and civil proceedings, drafting legislation and furnishing opinions to all Government Departments. Experience in advocacy, general court work and drafting is essential.

NEW HEBRIDES
Crown Counsel
£2,451-3,612 (tax free)

Prosecution of criminal cases in the High Court of the Western Pacific. To advise the Resident Commissioner on the confirmation of judgments of the Condominium Courts in criminal cases; drafting national and joint legislation. Will be required to assist the Attorney General and may be required to act on his behalf while on leave.

KENYA
Resident Magistrate
£2,682-3,308

To be concerned with the trial and determination of civil and criminal cases, and the holding of preliminary enquiries into cases coming within the jurisdiction of the High Court, and the related administrative duties; may also be required to act in other judicial or legal posts; should have general court experience and an interest in advocacy.

Land Adjudication Officer (Solicitor)

To lead a team of experienced registry staff and be responsible for the conversion of titles registered under other legislation to titles registered under the Registered Land Act 1963. Experience in conveyancing and a thorough understanding of Registration procedure and the legislation relating to registration at present in force in Kenya, is essential. Salary will be in accordance with experience of successful candidate. A variable tax free overseas allowance of £495-1130 p.a. is also payable.

JAMAICA
Legal Officer
£4,696

For the Department of Income Tax, Stamp Duties and Estate Duties, to prepare and conduct prosecutions in revenue cases.

ZAMBIA
Registrar of Lands and Deeds
£3,750

To take charge of the Registry of Lands and Deeds in Lusaka. This Registry is responsible for all land registration and the custody of registration, copies of deeds and certificates of titles; it is also responsible for other documents not connected with land matters. The officer will also be required to carry out the duties more particularly defined in the Lands and Deeds Ordinance.

UGANDA
Lecturer in Law
£1,631-3,048

Will be required to lecture on General Principals of Law, Commercial/Mercantile and Co-operative Law.

ZAMBIA
Resident Magistrates
£2,434-3,384

To hold a Court of Summary Jurisdiction dealing with a very wide range of criminal cases; to take civil trials including jurisdiction in monetary cases up to K.400. Magistrates may also be required to act as Coroner, District or Deputy Registrar of the High Court, and to undertake any other such duties as may be allocated to them by the Judiciary or the Government.

State Advocate
£2,434-3,384

To undertake civil and criminal litigation and advice to Government Departments on all legal matters. Experience is also desirable in any of the following fields—taxation legislation, commercial law, mining and labour legislation, land law and conveyancing or international law.

Assistant Administrator General and Office Receiver
£2,434-3,384

To assist the Administrator General in the administration of the deceased and bankrupt estates. 5 years' experience in administration of bankrupt and deceased estates desirable.

Registrar of Patents, Trade Marks & Designs
£4,012

For the Ministry of Trade and Industry. Organising and implementing the tasks of the office especially administration of Patents and Trade Marks. The practical application of the Law for acceptance, processing, classification and registration of Patents and Trade Marks. The Registrar will also be expected to hold judicial hearings and be called to advise on policy matters.

Foreign and Commonwealth Office

OVERSEAS DEVELOPMENT ADMINISTRATION

Further information may be obtained about any of these vacancies by writing briefly stating your age, qualifications and experience to:—

The Appointments Officer, Room 381C, Eland House, Stag Place, London, SW1E 5DH

SYSTEMS MANAGER
West London

The Company produces high quality plant and equipment, has an excellent international reputation and a UK turnover approaching £10 million. It also has a record of substantial and profitable growth. The Company requires a Systems Manager who will report to the Financial Controller and head a small team of analysts. At present there are a variety of sales, purchase ledger and other commercial systems running on 40 and 80 column card equipment. The task is to improve existing systems and develop others, using more sophisticated equipment. In this respect the new man will have considerable freedom of action in making recommendations and determining priorities. Candidates, probably in their thirties, should be experienced systems managers or project leaders with a record of implementing systems and communicating well with line managers. Experience of hardware evaluation would be an added advantage. The location is West London and the starting salary is negotiable up to £4,000. (Ref. COM30/4312/ST)

The identity of candidates will not be revealed to our client without prior permission given during a confidential discussion. Please send brief career details, quoting reference number to the address below, or write for an application form, and advise us if you have recently made any other applications.

COMPA PA Management Consultants Limited, Hyde Park House, Knightsbridge, London SW1X 7LE.

COMPA Computer & Management Sciences Appointments

PA International Management Consultants Limited

Software Specialist
circa £4,500

Business Computers Ltd wish to recruit a software specialist who will be located in Brighton. He will report to the Technical Director and will be responsible initially for the development of a business compiler for a new range of computers. The appointment calls for enterprise and drive combined with the ability to communicate with both sales and technical personnel, and requires a minimum of 2 years' experience in the design, production or maintenance of compiler or similar software.

In addition, candidates should be experienced in:

- High level language programming for commercial systems.
- More than one manufacturers' equipment.
- Controlling a software project.

The commencing salary will reflect the importance attached to this appointment and the company will make a generous contribution towards relocation expenses if these are incurred.

Interested candidates are invited to write for an application form quoting MCS/3234 to Price Waterhouse Associates, 31/41 Worship Street, London EC2A 2HD

ASSISTANT SECRETARY
£2,500+

The trade association for an important industry is seeking an additional executive for its planning, taxation and rating work. Age about 25; degree or professional qualification in law, economics or accountancy, ACIS or similar; at least 2 years' experience in administration.

For further details and application form write to: J. G. Orr, MA(Cantab.), Director-General,

Sand and Gravel Association Limited
48 PARK STREET, LONDON W1Y 4HE

saga

AREA SALES MANAGER
(DESIGNATE)

The International Division of MGD Graphic Systems Ltd. is looking for an experienced sales engineer, in his early 30's who feels that his particular talents could best be employed in the sale and contract negotiation of capital mechanical plant in a unique and fascinating industry.

MGD Graphic Systems is the world's market leader in large rotary newspaper and magazine printing presses. Through a network of subsidiary companies and agents, the International Division in London is responsible for sales and service in Europe, the Middle East and Africa. The Company has large factories in the UK and US.

After an initial period of training in the UK and abroad, during which time the successful applicant will fully participate in the marketing activities of the Company as a Sales Engineer, promotion to Area Sales Manager would soon follow.

We want to hear from university-trained engineers with language ability particularly from outside the graphic communications industry who have had hard door-knocking sales experience as sales engineers working in their own territory. Education, background and personality should be of the highest standard in order to be able to negotiate successfully major contracts with individual customers or state-buying organisations at the highest level.

Please send full c.v. explaining clearly why your experience would make you suitable for this challenging position to:

The Manager,
International Division,
MGD Graphics Systems Ltd.,
Gotch House,
30 St. Bride Street,
London, E.C.4.

The Queen's Award to Industry

IS THIS FOR YOU?

A Consultant with this Company will start at a salary of not less than £3,000 negotiable up to £4,000. In 2 years anything below a salary (we do not pay commission) of £7,500 is the exception. Fringe benefits of the same tenor are better considered in context. Quite honestly, though, the real rewards are represented in the work itself.

We are a highly successful well-established marketing team, average age 34, specialising in the selling of life assurance, investment and mortgage business throughout the United Kingdom. We wish to expand our activities, and if you are interested, we would like to give you the opportunity to sell yourself to us by writing us a short autobiography. Our selection procedures are stringent and the competition will be intense, but if you can sell yourself to us, the odds are that it will be the second most important sale you will ever make. Your letter, which will be treated in strict confidence, should not exceed 500 words. We will reply saying whether or not we would like you to proceed further with your application.

Previous selling experience or product knowledge is not necessary; a history of success and a strong desire to sell is. You should have good communicative ability; at least 4 "O" levels; be under 40 and married.

Write to the Personnel Manager (ST1), EARWICK ASSOCIATES LIMITED, 4 York Row, Wisbech, Cambs.

SYSTEMS ADVISER £2,000-£2,500

Our client, REDIFON LTD., require a highly versatile man to be responsible for systems advice and customer software support of their SEECHECK and KEYCHECK key to disc Data Entry Systems.

This man will probably currently be employed as an analyst working in a support role. Programming experience is necessary as is a thorough understanding of software concepts. The job will involve considerable travel, so mobility from the Crawley and London headquarters is essential.

This position is part of a defined career structure which could lead in due course to, for example, Direct Sales. Please telephone or write:

DATA SEARCH, 53 Victoria Street, London, S.W.1. Tel.: 01-222 2022.

Read for a DIPLOMA in MARKETING AT HOME

Get this valuable qualification and increase your earning power with the aid of a Metropolitan College course, prepared at the request of the Institute of Marketing by whom it is officially recommended. Write for a free prospectus to The Principal, B. Mendes, B.Sc.Econ., F.C.A. (Dept. G70), Metropolitan College, St. Albans. *Accredited by the Council for the Accreditation of Correspondence Colleges.*

Founded 1910

Metropolitan College St. Albans

St Michael

Women for management at Marks & Spencer

Staff Management offers a satisfying and rewarding career to women who combine an interest in retailing with an understanding of people. It carries a direct responsibility for recruitment, training, organisation and care of staff.

Starting Salary: Negotiable, based on experience and present salary, but not less than £1,250 at 21. (£1,350 for new graduates). An annual bonus is paid.

Prospects: Staff Manageresses in our larger stores earn between £2,500 and £3,500.

Age: 21 to 38

There are also opportunities for women with a particular interest and flair in the commercial field to train for Store Management. Age 21 to 26.

Applicants who are mobile throughout the country should write indicating their career interest, giving full details of age, education and experience to:

Miss M. S. Brown,
Marks & Spencer Ltd.
Michael House, Baker Street,
London W1A 1DN.

SYSTEMS DEVELOPMENT MANAGER *c. £5,800p.a.*

Situated in a pleasant district of Antwerp, our clients are developing their Management Services function. They are installing the latest IBM computing equipment, which will include "on-line" data capture facilities.

Reporting to Head of Management Services, the Systems Development Manager will be responsible for the improvement of all company systems—both manual and computer—and for developing management decision taking information. This appointment will be of interest to experienced business systems men who have:

- Proven management ability.
- About 5 years systems design and implementation experience.
- Graduate or professional status.
- Fluency in English and Flemish, or the willingness and ability to become fluent in both languages.

Career development prospects are good and fringe benefits include a good pension scheme.

For an application form please write to or telephone T. D. A. Lunan at the address below (telephone 01-930 8621) quoting reference 457/ST.

Urwick Dynamics Limited 2 Castle Lane London SW1E 6DL

OR Scientist
£3000 plus

This is an opportunity in Zambia for an operational researcher with two or three years' industrial experience to take a high degree of individual responsibility for his own projects. The OR section, part of the R & D department, is involved with all aspects of the operations of Roan Consolidated Mines Limited—one of the world's major copper producers. Maintaining a close liaison with production staff he will visit mines and plants to collect data and undertake studies. He will be a member of a compact OR team where a free exchange of ideas is positively encouraged and whose current projects are in the fields of production scheduling, process and quality control, economic studies and machine replacement. An IBM 360/40 is readily accessible and frequently used.

Candidates should be graduates ideally with a knowledge of Fortran, MPS or GPS. Experience in the mining, metallurgical or other major industries would be useful.

Employment is on a renewable contract basis initially for a period of three years. Starting salary will depend on experience and qualifications but total annual emoluments including basic salary, allowances, bonus and gratuity will be at least the amount quoted above.

Generous benefits traditionally associated with overseas employment include low rental furnished housing, children's education allowance, return passages for employee and family, and longer than usual holidays.

Please write, quoting reference SA.120, for application form and information booklet to:

*The Manager,
Overseas Appointments,
RST International Metals Limited,
One Noble Street,
London, EC2V 7DA.*

RCM IN ZAMBIA

MARKETING MANAGER
(DESIGNATE)

Hunt and Broadhurst Ltd., manufacturers of the Oxford range of Stationery, are seeking a Marketing Services Manager to work initially with Directors on a number of specific Marketing Projects and in due course to develop the marketing function and take full responsibility for it.

Candidates should be able to demonstrate a dynamic contribution to the marketing function in their present company and greater emphasis is placed on vision, enthusiasm and capacity for teamwork than on formal qualifications.

Salary is open to discussion, probably in the range £2,500-£3,500 and conditions of employment are good.

Please write, in the first instance, to R. Hartman, Deputy Managing Director, Hunt & Broadhurst Ltd., Botley Road, Oxford OX2 OHE.

Econometricians

The Tariff Board of Australia, with headquarters in Canberra, is seeking highly qualified econometricians and economists for a newly established Industry Economics Branch. They will conduct and supervise research into the factors determining the demand for, and supply of, particular products made in Australia, and the relationships between different manufacturing industries. The research will involve the preparation of papers on such matters as the current and future demand for outputs of industries reviewed by the Board, and product specialisation, technological change, and economies of scale, in these industries. Interstate travel will be necessary from time to time.

Qualifications

Honours degree in economics, with specialisation in econometrics, economic statistics, or industrial economics. For the senior positions, experience is also required in the supervision of advanced economic research.

Salary

The salaries of the senior positions in the Industry Economics Branch are:

	$ Aust. per annum
Assistant Chief Executive Officer (Branch head)	12,531
Director (Section head)	11,178-11,579
Principal Research Officer	9,571- 9,972
Project Officer	8,767- 9,169
Senior Research Officer	7,020- 7,559

A number of positions are also available for recent graduates. The minimum commencing salary for graduates with a first class honours or higher degree is $A4,900, and $A4,600 for graduates with a bachelor's degree with second class honours. Salaries for graduates are at present under review. Prospects for promotion are excellent. ($A=46½p).

Conditions

First class passage by sea or air for successful applicants and dependents, together with generous baggage allowance; salary paid from date of embarkation; subsidy payable to married applicants for temporary accommodation; three weeks annual leave; cumulative sick leave provisions and a comprehensive superannuation scheme.

Interviews

The Chief Executive Officer of the Tariff Economics Division, in the Office of the Australian Tariff Board, will be in London at the end of October to interview applicants.
Additional information and application forms may be obtained from:

Recruitment Officer,
Public Service Board,
Canberra House,
10-16 Maltravers Street,
Strand, London W.C.2.
Applications close on October 11

Managing Director

LIGHT ENGINEERING

for an important East African subsidiary of a major British group. The company, based in Nairobi, is engaged in sheet metal work, including stainless steel, for a wide variety of industries. It also holds a number of technical agencies. Current turnover around £1M and increasing.

• THIS is an appointment for a man of enterprise to take charge of a thriving business in a country where both the environment and conditions of appointment are particularly attractive.

• THE task is to manage the business, develop the market and accelerate profitable growth.

• THE requirement is for a qualified mechanical engineer with relevant technical experience and a record of profitable achievement at senior management level with a successful company.

• THE appointment is on renewable contract terms with family passages paid. Starting salary negotiable around £K.6,000. Attractive fringe benefits include, childrens education allowances, free housing, car and pension scheme. Preferred age 35-45.

Write in complete confidence to
Sir Peter Youens as adviser to the group.

JOHN TYZACK & PARTNERS LTD
10 HALLAM STREET · LONDON W1N 6DJ

International Combustion Limited

Industrial Relations Director

This leading Company engaged in the sale and manufacture of boilers and ancillary equipment for large power stations and industrial complexes with, in addition, a wide variety of major process and environmental engineering equipment throughout the world, seeks to appoint an Industrial Relations Director.

The Company employs about 5000 people in four establishments, 2700 being in the Derby area.

The central Industrial Relations Department is being re-structured to deal effectively with the distinctive problems which typify an organisation of this nature.

The Director will be responsible to the Managing Director for all aspects of labour relations, personnel administration, training and welfare. He should have a thorough experience in the Industrial Relations field, preferably in the heavy engineering industry, and be in the age range of 35-45 years.

He should have the necessary drive and enthusiasm to sponsor new thinkings in the Industrial Relations field, and be sufficiently experienced in general Company management so as to be able to make a positive contribution to the Board deliberations.

Compensation offered will reflect the importance the Company attaches to this post.

Please write to us, stating current salary and how you meet our Client's requirements, quoting reference DIR/3155/ST on both envelope and letter. No information will be disclosed to our Client without permission.

Urwick, Orr & Partners Limited *Personnel Selection Division 2 Caxton St. London SW1H 0QE*

Quality Engineering Manager

Based Brussels

Every company pays lip service to the concept of quality engineering and quality control. ITT Europe does more. It strives to make its cost reporting and improvement systems the best in the world by putting its money and management talent to work on achieving Quality. For example, in 1972 over £62 million will be spent by ITT Europe on quality assurance. Over 18,000 employees in 140 manufacturing locations across Western Europe *will be engaged in inspection, testing and re-testing.*

The Director, Quality—Europe is adding to his team at Brussels Headquarters. What he will expect from the new Manager are the highest standards in:

Guiding operating companies in the uses of manpower, materials and equipment to reach ITT quality level.

Providing expertise, motivation and training to operating company personnel in setting their own standards.

Minimum requirements: degree level engineering qualification or more, age under 40, working knowledge of two or more European languages.

It will be a high pressure environment involving considerable travel, but the rewards will be there; an excellent base salary plus generous foreign service allowances, educational assistance for dependent children and other fringe benefits.

Perfectionists only are requested to forward replies giving full career details and recent salary history to:

Giles Foy Ref: QE/351/ST Leslie Coulthard Management
Brettenham House, 14 Lancaster Place, London W.C.2.

ITT

HEAR'S HOW—

to earn £3,000+ p.a. in a new career. Dial:
01-629 9030
and hear about it. Don't say a word. Dial any time.

AT ANY AGE

From the time you are advised by the V.G.A. you know your full potentialities for any kind of appointment. You also know the kind of work you must at all costs avoid.
From that time on you go forward with confidence, assured that you are working towards the right goal. The work you do is the most important factor of your life and remember — you need vocational guidance only once in a lifetime.
Write for full information to

The Secretary,
VOCATIONAL GUIDANCE ASSOCIATION
Upper Harley St, London NW1
Tel.: 01-935 2600/8017
Formerly at Devonshire St, W1

INTERESTED IN GOING OVERSEAS?

Management, Professional and Technical people can benefit from our contacts with Overseas Companies. We cannot offer a guarantee but we do have the experience, Research facilities and Professional approach to give you the best possible assistance in securing a new and better position Overseas. For further information, please contact:

JANSON, KRUNIC & ASSOCIATES
77-79 Edgware Rd.,
London W2 2HZ.
Reasonable Fee Schedule

PA ADVERTISING

2 Albert Gate
Knightsbridge London SW1
Tel: 01-235 6060

REPLIES. Unless otherwise stated, please send comprehensive career details to the PA Advertising office indicated, quoting the reference number on the envelope. Replies which should not refer to previous correspondence with PA will be forwarded direct, unopened and in confidence to the client unless addressed to our Security Manager listing companies to which they may not be sent.

SALES AND MARKETING

Marketing Director
up to £8,000

A medium-sized consumer goods company which is very active in its particular sector of the British market requires an ambitious and capable man to direct its marketing and selling so as to achieve its business objectives. The Company's financial backing is strong and it is prepared to invest to obtain market strength and long term profitability.
The successful candidate, who will be based in the North West, will become a member of the Board and will be responsible to the Managing Director for the planning, budgeting, execution and control of marketing and selling. He will be leading and developing a total staff of 50, handling a turnover which is planned to reach £5m by 1973.
Candidates for this post should be successful men aged 35-45. Their career should have given them sound knowledge and experience of the marketing of consumer goods together with strong selling and line management experience. The post is a challenging one which can provide considerable satisfaction to the right man. In addition to his salary, he will receive a wide range of fringe benefits.
(London Office: Ref. 1/C2301/ST Director)
Replies will be forwarded to the PA Consultant advising on this appointment. Details will not be revealed to the client without prior permission.

General Manager - Marketing
Electronics/Plastics
c. £4,500

The first task facing the men appointed by our clients as General Manager-Marketing is a thorough audit and reappraisal of the sales and marketing operation. This is likely to include the development of market research, product appraisal, planning and budgetary control techniques, as well as sales force direction. Responsibility is to the Managing Director of this medium size company to the North of London with a diverse range of electronics and plastics products. A member of the Management Committee he will be expected to contribute to overall company policy.
The man we are looking for, probably aged 35-45, will have sales management experience preferably in electronics or plastics and a feel for light engineering. A starting salary around £4,500 is envisaged, plus car and other benefits.
(London Office: Ref. 2/C2310/ST Electronics)

Ethical Pharmaceuticals

A well-established U.S. pharmaceutical company with world-wide operations, and part of a large diversified corporation, is starting up a U.K. subsidiary to market its products nationally. This subsidiary will be based in the South London area. The Managing Director seeks candidates for the following posts:

Sales Director
c. £4,000 + car

The men appointed will select, train, motivate and control the national sales team. He will be between 30 and 45, and of high educational standard. He will have spent at least 7 years in industry, having acquired experience in sales management and marketing, and at least 3 years in the pharmaceutical industry. His experience should have included the preparation of sales forecasts, budgetary controls and performance standards. Thorough knowledge of the U.K. ethical pharmaceutical market is essential. In addition to being totally sales-oriented, he must have a creative and imaginative mind. He must be capable of working on his own initiative outside the rigid routine of a well-established and dominating organisation. (London Office Ref. 3/C2305/ST Director)

Marketing Director
c. £4,000 + car

A thoroughly professional marketing man, with at least 3 years' experience in ethical pharmaceuticals is required. He will be between 30 and 45, academically qualified to degree level, practiced in up-to-date marketing techniques and the possessor of an analytical and creative mind. His work will involve two main areas of responsibility. Firstly, he will advise the Managing Director on all aspects of company marketing policy and planning. This work will include the preparation of detailed marketing plans, long-term forecasts and profitability projections and the supervision of market research studies. Secondly, he will be directly responsible for the management of all aspects of sales promotion other than field selling. Thus he will have control of advertising, direct mailings, medical conferences, films etc. Effective co-ordination and close co-operation with other senior executives will be essential parts of all his work. (London Office: Ref. 4/C2306/ST Marketing)

Medical Representatives

The following posts are shortly to be advertised:
SENIOR MEDICAL REPRESENTATIVES (London Office: Ref. 10/C2307/ST Senior)
MEDICAL REPRESENTATIVES (London Office: Ref. 11/C2308/ST Medical)
However, provisional applications will now be accepted, initially for territories centred on London, Birmingham, *Manchester, Glasgow, Cardiff and Bristol.*
For all positions, please write BRIEFLY to PA Advertising for an application form.

General Sales Manager/Director
from £4,000

We are a £2 million turnover company selling well-known branded and own-line products through Electricity Boards and wholesalers. The General Sales Manager will be responsible to the Managing Director for the entire *sales and marketing function and his initial task will be, with the aid of a new product, to revitalise the sales team* after a difficult period. Applicants should have at least five years experience in this field, including personal selling to principals and the motivation of salesmen, and be aged 30-50. A salary of at least £4,000 p.a. is envisaged and a car, BUPA and pension scheme are included. Help with removal expenses will be given if required. The man appointed will join a new management determined to succeed and see their jobs grow.
(Manchester Office: Ref. 5/D9252/ST Manager)
Replies to PA Advertising Ltd, St. James's House, Charlotte Street, Manchester M1 4DZ.

Management/Marketing Information Executive
up to £2,750

A new section is being established at the Head Office of a leading group in the drinks industry to record, process and interpret a wide variety of management and marketing information. This will include market surveys, trading outlet location and sales and marketing performance etc. in a number of forms including charts and ratios. We *are looking for an executive capable of developing and handling an efficient service for the* benefit of management at various levels in this vital and expanding group of companies.
A graduate or equivalent is preferred, who must be numerate, have an understanding of computer print-outs and sophisticated calculating *and recording equipment, as well as being capable of* compiling and maintaining conventional records of historical information. The successful applicant should be able to work independently as well as in close liaison with senior executives.
Initial salary will be negotiated and could be £2,750 p.a. for the right candidate. Prospects and benefits are first class. (London Office: Ref. 6/C2309/ST Executive)

FINANCE AND ACCOUNTANCY

Group Planning Executive
In the City
c. £4,000

A major U.K. Group, *with widespread interests in commerce, finance and industry* in the U.K. *and overseas*, seeks to appoint an additional executive to its Group Planning Department, responsible to the Group Planning Director. The Department is principally concerned with the preparation of long-term plans for the Group's operations. This activity includes the development of marketing and planning policies and procedures, acquisition and other project analysis and implementation, and the study of economic and stock market trends. The selected candidate is likely to be in the age range 27 to 35 and will be professionally qualified or will be a university or business school graduate; if not a qualified accountant, he will possess a high degree of financial analytical skill. He will possess investment research or portfolio management experience, preferably gained in a merchant bank or with a stockbroker.
An initial salary of around £4,000 depending on experience is anticipated, and conditions of service are attractive, including non-contributory pension and life assurance benefits. The post is City based; assistance will be given with re-location expenses if necessary. (London Office: Ref. 7/H9257/ST Planning)

PERSONNEL AND TRAINING

Senior Training Consultant
up to £4,000

Our clients, who operate from South of London a nationwide advisory service to a substantial sector of industry, wish to recruit a Senior Training Consultant. His job will be to assess companies' training needs, to handle specific training assignments and to supervise his own junior consultants. This will involve contact, analytical and advisory work at senior levels. Line management experience in processing industries, combined with some practical training experience, would be the ideal background. Starting salary in the bracket £3,000-£4,000; car, pension and other benefits. (London Office: Ref. 8/A1014/ST Consultant)

ENGINEERING

Development Manager
c. £3,250

We are looking for a man with imagination and an enquiring mind to fill a senior position in our Technical Department. The introduction of new products is a vital part of the continued growth of our Company and a record of successful innovation is a key requirement of any candidate.
Our ability to satisfy customers' technical needs is of increasing importance and we shall be influenced in favour of a candidate who has an easy manner and experience of customer liaison. Although our primary requirement is for a product innovator, the seniority of the position in our management is such that it will encompass a broad spectrum of technical responsibilities.
A particular educational discipline is of less significance than breadth of interest, but it is unlikely that anyone without a university degree would have a sufficient understanding of scientific principles to make a success of the job. Typically, a general qualification in Chemistry, Physics or Engineering would be attractive.
The new product may very well require plant modifications for its successful production and familiarity with machinery is therefore desirable. The preferred age range is 27-35 to permit progressive development within the Company which is part of one of the major industrial groupings in the U.K.
Salary will not prevent us from engaging the right man and will be negotiable around £3,250. Generous relocation expenses will be paid to an area in the Home Counties. Please write briefly to or telephone PA Advertising for an application form. (London Office: Ref. 9/K7215/ST Development)

AREA MARKETING MANAGER

Consumer Products International

Fisons Limited, Pharmaceutical Division, Loughborough, Leics, are looking for an Area Marketing Manager to join their team of International Consumer Marketing Executives handling a well known range of fast moving consumer goods.

The man we are seeking will be required to develop and implement marketing plans *designed to achieve well defined objectives.* Primarily the expansion of sales in a number of overseas markets working with the company's *agents and distributors*, advertising agents and local manufacturing units. He will also be required to investigate the potential for the company's products in a number of other countries and wherever possible expand activities. By definition, the job requires an individual capable of operating independently, travelling abroad for at least three months of the year.

The men we are looking for should be in the 25 – 35 age group, having acquired direct sales experience and a sound knowledge of marketing techniques, probably at brand *manager level. Overseas experience together* with a knowledge of Spanish or Portuguese would be an advantage although not essential.

We are a member of the Fisons Group, providing a first class pension scheme, generous holidays, assistance with removal expenses and other welfare benefits which come from being part of a large *internationally known* British Group. Applications quoting job reference No. 394A should be addressed to the Personnel Officer, Recruitment, Fisons Limited, Pharmaceutical Division, 12, Derby Road, Loughborough, Leics.

FISONS

NEWAGE ENGINEERS LTD.
ELECTRICAL & PUMP DIVISION

REGIONAL MARKETING AND SALES MANAGER EUROPE

The Division based at Stamford, leaders in the manufacture of alternator up to 620 kVA with an expanding export market wish to appoint a Marketing and Sales Manager to cover their European territories as well as supporting marketing policy elsewhere.

Responsibilities will cover development of new and existing markets and marketing methods, sales forecasting and technical support throughout the region. The job will involve frequent visits abroad and the incumbent will need to be able to converse fluently in German and/or French. Candidates should have at least three years experience of marketing overseas. Those with previous experience of electrical rotating machines will be preferred but a *minimum* technical qualification to H.N.C. level is essential. The position will report to the Marketing Director.

Applicants should be in the age range 25-35. Salary will be negotiable, dependent upon experience and qualifications. Employee benefits include a non-contributory pension scheme. Please apply to:
Mr D. M. Oborne, Personnel Officer,
Newage Engineers Ltd.,
Electrical and Pump Division,
Barnack Rd., Stamford, Lincs.

SALESMEN

We have clients currently seeking Salesmen (22-37) *in the following categories:—*

1) TIMESHARING. Earnings £2,500-£6,000. Relevant Sales experience is essential in D.P./Bureau/VRC, etc. London Area.
Ask for Peter Shortt.
2) BUSINESS MACHINES & SYSTEMS. Earnings *£2,000-£4,000. Sales experience preferably in this* field. London/Birmingham/Manchester.
Ask for Sandy Stavert.
3) INDUSTRIAL SALES. Equipment, Products and Services. Earnings £1,500-£2,500. Some experience in Speciality or Consumer selling required. London/Home Counties.
Ask for Tony Edwards.

Ring (or write if you must) for early appointment.
SALES SEARCH,
53 Victoria St., S.W.1.
Tel. 01-222 2022.

advertising manager

Civil Aviation £3,000-£3,500

BEA fly more people to more places in Europe than any other airline. We are proud of the service we offer and need an experienced advertising man to help us market our product.

The man we are looking for will probably be in his early 30s, with a University education and possibly a Diploma of the Advertising Association. He will have at least eight years' experience in either a major international marketing company, or an advertising agency, at least three of which should have been as an account director. This experience should include a thorough knowledge of campaign planning, including effectiveness evaluation.

He will be responsible to the Group Advertising Manager for the planning, co-ordination and implementation of all aspects of product advertising for a number of divisions within BEA. This work will involve briefing and supervision of all work by appointed agencies and advising management on advertising aspects of marketing strategy. He will also be responsible for the design and production of all collateral material for these divisions including POS display, posters and literature and experience in this field is essential. The position will involve a certain amount of overseas travel.

BEA

Apply in writing, giving brief details of qualifications and experience to
Personnel Manager (Travel Sales) (ST), BEA, West London Air Terminal, Cromwell Road, London S.W.7.

General Manager

(Managing Director-designate)

c £6,000 + car Home Counties

Manufacturers of commercial and industrial catering equipment are looking for a General Manager to be responsible for the profitable operation of the company. This is a new appointment and early promotion to Managing Director is anticipated.

The requirement is for a man who has successfully inspired a complete sales and marketing operation and who will *increase turnover and profit. Manufacturing* experience whilst not essential is desirable.

Preferred age middle thirties. Salary negotiable around £6,000. Car provided. Location Home Counties.

Please write, in complete confidence, quoting reference MCS/3235 to Price Waterhouse Associates, 31/41 Worship Street, London EC2A 2HD.

Market Intelligence

Within range £3,500-£4,500

A Marketing Department has recently been set up in London Transport to ensure that the Executive is able to take proper account of market considerations in developing its policies and in making decisions.

A manager of proven ability is required to set up a small Market Intelligence Section. He will be required to acquire a full understanding of London Transport's markets and operating environment, and to make known the implications of this knowledge to senior management. He will also be required to *monitor market* performance, assist in the preparation of sales forecasting and advise on technical aspects of market research. He will report to the Director of Marketing.

The successful applicant is likely to be a Graduate in either Economics or Mathematics, aged between 27-40 and to have had experience in some of the following fields: statistical analysis, economic research, market research, sales forecasting. He will in all probability have worked within a large consumer-orientated organisation, or have had experience in consultancy, or in an economic research organisation.

Applications to Chief Establishment Officer (Ref. 124/1), London Transport, 55 Broadway, S.W.1, giving career details.

London Transport

INDICATOR

	PROFITS	DIVIDENDS	PRICE CHANGES
Last week	£37.2m (+6.0%)	Up: 35 Down: 8 Same: 30	The Times Industrial Share Index 169.54 (—3.05 on the week) Camrex 194p (+34p) Campari 148p (+28p) Lex Services 277p (+22p)
Last 52 weeks	£5,026m (+4.5%)	Up: 1,620 Down: 574 Same: 1,615	Furness Withy 380p (+19p) Barclays Bank 554p (—32p) Reckitt & Colman 278p (—39p)

Figures show annual pre-tax profits for companies reporting last week and over the 12 months.—Statistics by Exchange Telegraph

1970-71 High	Low	Company	Price	Ch'ge	Div. pence	Yld. %	P/E
85	40	Lloyd, F. H.	71½	−2½	4.0	6.0	12.6
14	9	Locker T.	12¾	...	0.8	6.5	10.7
95	50	Ldn. & M'land.	91	+1	5.0m	5.5	7.5
103	36½	London Brick	95	−8½	3.8	3.9	11.5
368½	156	Lucas Ind.	277	−1	8.5	3.0	14.3
642	320	Lyons (J.) Ord.	588	−4	15.0	2.3	21.0
M—N							
137	78¾	M.K. Electric	131	+4	4.3	3.4	16.4
85½	60	McKechnie Bros.	82½	+2½	4.0	4.8	13.2
70	20	McLean John	70	+2	3.5	5.0	10.5

1970-71 High	Low	Company	Price	Ch'ge	Div. pence	Yld. %	P/E
35	18½	Metalrax	35	+1	1.9	0.4	10.6
57	29	Meyer M. L.	57	+1	3.0	5.3	12.9
88¾	60	M.E.M.	64	+4	2.5	3.9	17.2
97	43	Midland Alum.	85	+15	5.0	6.8	15.0
110	73	Miles Druce	90	+1	5.5n	6.1	0.0
37½	18	Miller Stan	21	...	2.0	9.5	11.0
42	17½	Modern Eng.	41	−1	2.8	6.7	13.3
140	81½	Morgan Cruc.	134	...	5.3	3.8	15.9
20	11½	Mt. Charlotte	17½	−½	6.7	3.7	16.1
95½	25½	Muirhead	74	+3	0.3e	0.5	...

1970-71 High	Low	Company	Price	Ch'ge	Div. pence	Yld. %	P/E
49½		Cadbury Sch.	56½	−1	4.0	4.0	20.4
63¾		Campari	148	+28	4.7	3.2	17.0
56¼		Camrex Hgs.	194	+34	4.4	2.5	14.7
09		Cape Asbestos	150	−14	0.9	4.0	18.8
		Capper Neill	54	+3	2.4	7.1	0.7

1970-71 High	Low	Company	Price	Ch'ge	Div. pence	Yld. %	P/E
135	83¾	Lead Industries	118	−1	5.5	4.7	11.1
46	20	Letraset	44	−1	1.4	3.2	14.4
175	112½	Lewis & Peat	170	−5	7.5	4.4	16.6
184	100	Do. A	153	−4	7.5	4.8	14.8
279	98¾	Lex Services	277	+22	4.8	1.7	20.5
55	23	Leyland Paints	58	+1	2.2	3.8	11.5
90	½	Lines Bros.	½ f	...	...	...	...
59¾	29	Lister & Co.	54½	−1½	5.5	8.4	28.8

1970-71 High	Low	Company	Price	Ch'ge	Div. pence	Yld. %	P/E
282	110¾	Jessel Secs.	252	−10	12.0b	4.8	14.0
117	85½	Lloyds & Scot.	109	−8	3.2b	2.9	20.9
226	111¾	Mercantile Crdt.	206	−12	0.4	8.1	22.7
166¼	63½	Ralli Int.	136	−2	5.0	6.7	14.6
68	39	Refuge Secs.	64	+1	2.9	4.5	10.5
230	103¾	Utd. Dom. Tst.	224	−5	8.5	2.8	17.7
84	32½	Western Credit	80	−4	2.8	3.4	...

REGIONALS

1970-71 High	Low	Company	Price	Ch'ge	Div. pence	Yld. %	P/E
26	15	Bakers Stores	20	+2	1.0	5.0	5.8
156	75	Beechwood	156	+10	5.5	2.5	13.4
67	23½	Belgrave B'th	60	...	3.5	5.8	7.5
50¾	16	Bellair Cos.	28	...	2.3	8.7	7.0
47½	26	Dolan, W.	34	+2	2.2	6.5	12.7
36	25½	Evans, F. W.	36	+2	1.8	4.9	9.5
102½	45	Novan Carpets	45	...	4.1	9.2	8.5
12¾	8½	Nth. Mid. Const.	11	...	1.1	10.0	4.2
32½	17½	Pressed Felts	22½	+2½	2.0	8.8	5.0
165½	139	Youghal Cpts.	150	...	10.0b	0.7	9.6

NEW ISSUES

Issue Price		Price	Rise or Fall
75	Allied Polymer 25p	79	—
...	Carron Co 25p	155	−3
44	Forminster 10p	64	+9
80	Kettering Motor 10p	130	+1
55	Marshall, Morgan 25p	74	+4
100	Slater Walker 50p	103	+3
...	Unitech 10p	80	...

● Ex dividend. a Ex all. b Forecast dividend. c Corrected price. e Interim payment passed. f Price at suspension. g Div. and yield exclude a special payment. h Bid for company. k Ex capital distribution. o Forecast earnings. p Pre-merger figures. r Ex rights. s Ex scrip. t Tax free. y Price adjusted for late dealings. ... No significant data.

(Further Stock Market quotations may be included in this table at a rate of £78 per annum per quotation.) In the price earnings ratios on this page the share price is compared with the company's annual profits. Latest available earnings are used, allowing for corporation tax, normally on a 42½ per cent basis, trusts, banks, insurance companies along with certain mines and overseas groups excluded.

SUNDAY TIMES BUSINESS NEWS

A crisp, juicy, scarlet tempter

A NEW apple combining the best of two varieties bas just completed *10* years of intensive trials at the National Fruit Trial centre in Keot.

The apple has Jonathan's eye-catching bright red skin and the crisp, aromatic flesh that haa made Cox's such a favourite. It ripens in October and will keep well in storage until March or April, to give British growers a red apple to compete with tbe yellow or green varieties which arrive from the southern bemispbera during those months.

The apple was bred initially by Mark Tydeman at East Malling Research Station and snould give a lift to the aagging morale of British orcbard growers who must increase their yields of higb grade fruit considerably if they are to survive inside tbe Common Market. Once we join the EEC, apples from elsewhere will become more expensive and their supply will diminish. This would leave a gap in the fruiterers' trays wbicb the new apple could readily and profitably fill.

Announcing details of the apple—at present known only as A 1379—trials director Jock Potter (right) said: "*I* believe that if the UK grower is efficient and grows varieties like A 1379 he can compete with anyone."

Graham Rose

Bryan Wharton

France's hot TIP for getting traffic off the streets

BY TED CLARK, *Montpellier*

TRAFFIC authorities and motoring organisations from all over the world, including Britain's Royal Automobile Club, are keeping a close watch on tbe self-drive taxi fleet that has been operating for one montb on the streets of this ancient university city in the south of France.

The idea of replacing jam-packed private cars on urban streets by many fewer communally-owned vebicles is not a new theory. Now two French engineers, Phillipe Leblond, 48, inventor of the equipment installed in the cars, and Jean-Louis Michard, 38, wbo is managing the Montpellier operation, have not only made it a practical reality, but bave obtained considerable official support.

The Montpellier self-drive taxis are run as a non-profit-making co-operative. The French Government bas undertaken to make good any losses incurred during the first three years. The first *35 TIP (Transport Individuel Public)* cars have heen in operation for a month and by the end of this year, a total of 150 cars—semi-automatic versions of Chrysler's Simca 1000 model—will have been fed into service once they have been fitted with Leblond's TIP meter system.

The organisers reckon that each TIP car replaces between 15 and 20 private cars. They calculate that 600 self-drive taxis will completely solve the problem of traffic congestion in Montpellier by removing up to 12,000 private cars from the city's streets.

Georges Cayzac, 38, the municipal councillor in charge of traffic control, says that Montpellier's problem is worse than many. "After all, the heart of the city was built during the reign of Louis XIV," he told me. "If the scheme works, we look forward to the day when we can ban all vehicles, except buses, taxis and TIP cars, from the city streets."

Co-operative members pay a once-and-for-all joining fee of 420 francs (£32.34), for which they receive two keys: one which unlocks the doors of the TIP cars, and the other, engraved with their individual membership number on the sharp end, which serves as ignition key in the TIP meter.

Leblond's meter works on triangular blue plastic counters, on sale for 10 francs (77p) in the town's 40 tobacco sbops. Eacb counter is worth 18 kilometres (11.28 miles) of driving. A ridge on one of its surfaces is nibbled away by tbe meter, so that a partly-used counter can be removed from the meter at journey's end to be used up on a later occasion.

Leblond has even incorporated a small suction cleaner, so the streets of Montpellier will not be polluted by plastic blue-chips from meters of TIP cars.

Under the scheme, drivers will be able to take a TIP car from wherever they like and leave it wberever they like, at any time. If they have a flat tyre or any kind of breakdown, they abandon the car and take another. They are comprehensively insured. They need never clean a car—TIP cars are cleaned inside and out twice a week. They need never *fill* up with petrol—TIP cars have two tanks, each good for two hundred miles, and immediately one *tank* is empty a luminous signal at the back of the car switcbes on. TIP patrol wagons top up *tanks*, deal with breakdowns and servicing, and make sure that unused TIP cars *are evenly distributed throughout* the town.

The co-operative pays the city council for the right to use the highway, in the same way that the town's 75 conventional taxis do. And Leblond is paid for tbe rigbt to use his meters and system, whieb are protected by patents throughout Europe.

"Our studies indicate that break-even point can be reached witb 150 cars and between *2,500* and 3,000 members of the co-operative," says Michard. "We already bave nearly *300* subscribers, and that is quite enough for the *number* of cars that wa bave at the moment.

"We are working on a non-profit-making basis, but the commercial possibilities of TIP are obvious. We have aroused enormous interest in the month since we started from Japan, Switzerland, Belgium, Canada and the United States. Even the Russians are in touch with us. They have explained that tbey don't have traffic jams, but they do bave too few private cars. They think TIP might enable few cars to serve many drivers, which, of course, is the whole point of our system."

I drove a TIP car around Montpellier last week. I was warned that if I attempted to leave the metropolitan limits I would be turned back by the traffic police. TIP cars are registered as public service vehicles, for use only in the town.

I inserted a disc ioto the meter and put in the key. A click announced that a miniature camera in the meter bad recorded the key number, together with the date and time. When I had driven over 10 miles, a flashing red illuminated panel on the dashboard warned me that my counter was nearly used up, but I had time to work my way througb the traffic to the kerb to put in a fresb counter.

When I had finished my journey and parked, two illuminated panels flashed, *warning* me to put on the handbrake and *to close all the car windows*. Until I bad complied, it was impossible to remove the key. Before tbe key came out, another photo was taken, so the meter bad a record of the period during which the key-holder had used the vehicle.

Madame Claudette Gros, a 30-year-old school mistress, wbo pulled up in a TIP car outside the public library, told me: "I have my own car, but I am not bringing it to town any more."

She said that some of the 18 and 19-year-olds in ber classes were planning to club together to take out TIP subscriotions. "There is going to be a TIP rank rigbt outside the lycée," she said.

Councillor Cayzac told me: "When we were considering the *project*, we had two surveys made. A study group from the bridges and highways department of the *Ministry of Equipment* reported that tbe scheme should work in accordaoce with the advance calculations *of the organisers*. The institute of traffic researcb at the Ministry of Transport reported less favourably, *apparently* because they took the French temperament into consideration. I am proud of being French, but let us face it—we are impossible to organise. The Transport *Ministry experts* thought this factor might jeopardise the success of the scheme." So perhaps *TIP is better suited to phlegmatic* Anglo-Saxons.

Carrying the economic torch

ANY OTHER BUSINESS

by Peter Wilsher

£ BRITAIN, for better or worse, probably owes more to that odd breed known as economists than any other nation on earth. Marx may have bad more individual influence than any of our home-grown exponents (and even he produced his greatest work in London, pondering on the problems posed by Manchester). But while 18th century France was hounding Turgot and his Physiocratic friends out of court, and sowing the seeds of the Terror, we were taking Hume and Adam Smith to our intellectual bosoms, and laying the *foundations* for the greatest (and still, despite many hacksiidings, most generally beneficent) industrial empire the world bad yet seen. In the 19th century, with Ricardo, and Bentham, and Mill, and later Bagehot and Marshall we taught the whole glohe the fundamentals of the "dismal science." And in the 20th century, after tbe whole international trading and monetary system had lost its way, it was Keynes who, more than any other statesman or finance minister, put the Western nations, at any rate, back on the path that, since 1945, has led us all (even part-time Britain) into a period of unparalleled prosperity and peace.

What sort of people are they wbo can perform the peculiarly vertiginous form of mental gymnastics required to make sense of the activities of economic man? In every village and town, in every country, people are busy about the same kind of activity—feeding the family, putting away something for a rainy day, building something to hand on to the next generation, and making sure there is enough spare to keep the tax man at bay. Yet the net result of all these actions put together can vary all the way from simple happiness to all-engulfing slavery, revolution and war. To explain why, and, still more, to see tbe ways in which the opportunities can be fostered and the nasty corners avoided, takes a very special kind of mind. *It* must be a mind which can move easily and sympathetically from the mundane realities of *household shopping* to the purest, most generalised abstractions of mathematical analysis. And to *be effective this must be with*out losing sigbt of the fact that any policy recommendations will bave to be put through by *hard*-pressed politicians with votes to catch, and accepted by down-to-earth *practical people*, who are far more interested in tomorrow than the decade after next when the *recommendations* can really be expected to bite home.

Keynes was probably the supreme exponent of these varied arts, and there are several books, including *Roy Harrod's* classic study, to show, from the outside, how he came to exercise his *enormous* influence (which after all is still fermenting at this moment, as the world's monetary wizards turn back to his rejected Bretton Woods ideas, as a way out of the *intractable* new dollar *dilemma*). But there bas not been, as far as I know, since John Stuart Mill, any attempt by an eminent and practising economist to anatomise himself from within.

Lord Robbins's "Autobiography of an Economist" (Macmillan, £4.50) does not fully sustain the comparison with Mill's essay, which is, after all, one of the subtlest and pro*foundest personal histories* ever written in the English language. The newer work draws too many *veils*, and maintains too many reticences, to satisfy the reader's natural curiosity about the corridors of *academic* and political power wbere its author has been striding so formidably for the *past 40 years*. But for all that, there remains a fascinating (if occasionally disturbing) hint of the qualities needed to capture and maintain an essentially intellectual (rather than political, military or financial) grip on the great events of one's time.

£ ROBBINS was a fan son, brought up as a Baptist, who quarr deeply with his father an early conversion to Socialism (he once went s as to apply for a job orgar Lyons waitresses into mi trade unionism), but *was* re from the desperate step of b ing a stockbroker to earn living by a parental chequ £750 whicb allowed him to on as a studeot at the L Scbool of Economics. *From* his ascent to high places swift and assured—New Co Oxford, under H. A. L. F

"'How well educated our Warden is' remarked the f ous young Hugh Gaitsk lecturer at LSE under Lask Beveridge (who earn some most scathing paragraphs), mittee memherships u Keynes (where he comr what he now regards as the regrettable mistake of his e by opposing public works s ing during the depths of the slump), head of eco section of the Cabinet Offic ing the war. Then came th tide of post-war emine governing body of the chairman of the Financial T trustee of the National G (with some darkly s anecdotage on the inner duggeries of art), director Royal Opera House and dog for the public interest board of British Petr (though he *goes out of h* to deny the popular myth t has heen one of Whit greyer and more powerful war *eminences*), *and now* cellor of Stirling Universit

Throughout this eventful he has, of course, also pro a steady flow of economic w and talk. But it is clear fro way he refers to the pos ments, and new jobs, and commitments that stood way of its composition, that mare than a little relieved to have had the time to pr his long-olanned, but now never-to-be-written rival t General Theory. Better to kept alive the flame first k by Smith and Ricardo banded it on undimmed *new generations, seems to* general tenor of his self ment, and until the las pages, the *message comes th* in reasonably confident to is only his total speechlessn *face of the LSE riots* ("Th has not yet come") which one wondering just wher torch is heading as he pr to lay down the charge.

APPOINTMENTS INDEX

Printed by Thomson Newspapers Ltd. for and published by Times Newspapers Ltd., Printing House Square, London, EC4P 4DE. All correspondence for The Sunday Times, editorial, advertising, circulation production, Box Nos. to 200 Gray's Inn Road, London, WC1X 8EZ. 01-837 1234. Registered at the Post Office as a newspaper.